From: jeffrey E. [jeevacation@gmail.com]
Sent: 11/8/2017 1:49:52 PM
To: Thomas Jr., Landon[redacted]
Subject: Re:

MONEY!!!! he lost the fee for hank greenburg, and needed money for his firm. if you look into boies and AIG you will find the answer

On Wed, Nov 8, 2017 at 8:48 AM, Thomas Jr., Landon <[redacted]> wrote:

> Re Boies, Voila. https://www.nytimes.com/2017/11/07/business/weinstein-lawyer-david-boies.html. Unclear to me why he is getting involved with you....
>
> On Tue, Nov 7, 2017 at 10:10 AM, jeffrey E. <jeevacation@gmail.com> wrote:
>
>> All. With gods help ;)
>>
>> On Tue, Nov 7, 2017 at 11:00 AM Thomas Jr., Landon <[redacted]> wrote:
>>
>>> Did your Saudi friends survive the purge?
>>>
>>> On Tue, Nov 7, 2017 at 9:55 AM, jeffrey E. <jeevacation@gmail.com> wrote:
>>>
>>>> As they are both bulkshitters
>>>>
>>>> On Tue, Nov 7, 2017 at 10:26 AM Thomas Jr., Landon <[redacted]> wrote:
>>>>
>>>>> i am more interested in al-waleed/saudi purge/Jared axis. al-waleed and prez go back a ways don't they?
>>>>>
>>>>> On Tue, Nov 7, 2017 at 5:42 AM, jeffrey E. <jeevacation@gmail.com> wrote:
>>>>>
>>>>>> http://people.com/movies/harvey-weinstein-hired-intelligence-agencies-to-spy-on-accusers-rose-mcgowan/ the same boies that represents [redacted] who makes totally fabricated claims re gore and clinton - boies clients. he refuses to ask them their version of events. They were never on the island and though she gave details of a dinnner. I have never ever met al gore or his wife.
>>>>>>
>>>>>> boies is going to be in the firiing line. from the biz view he represented Hank Greenburg AIG, , his fees were never paid as the appeals court overturned the win. but AIG as an insurance co. -- ... phone only
>>>>>>
>>>>>> --
>>>>>> please note
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>>>>>> JEE
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Landon Thomas, Jr.
Financial Reporter
New York Times
[redacted]
http://topics.nytimes.com/top/reference/timestopics/people/t/landon_jr_thomas/index.html

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> --
> Landon Thomas, Jr.
> Financial Reporter
> New York Times
> [redacted]
> http://topics.nytimes.com/top/reference/timestopics/people/t/landon_jr_thomas/index.html

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It’s an absurdly vast house, among the largest in Manhattan, but the dining room is windowless, creating a hermetic or stop-time sense, broken only by the household help ferrying in time-of-day-appropriate foods and beverages.

In sweatshirt, draw-string pants, palm beach slippers, and half glasses, Jeffrey Epstein sits at the head of the table. He spends most of his day in the dining room, remote from the world, in front of a lap top and beside a row of reading glasses (there are a lot of them in case, apparently, he misplaces a pair, but being quite meticulous he never does) advising, or instructing, a startling collection of the rich and powerful, slotted in on an hourly basis.

The apartness of Epstein’s dining room might seem to offer some buffer in this leveled, angry age for a super rich man who attends to even more fabulously rich men. On the other hand, with the paparazzi often posted near by, the outside world seem dangerously close too. (Once I arrived for a visit and found several police cars blocking the street and thought the worst—they’d come for Jeffrey. But it was a security detail for a controversial head of state, also visiting him.)

His subject for the morning is “hyper wealth.” His subject is always wealth—how capital should react to the given global political, economic, and cultural moment. The otherwise baronial dining room is disturbed by an ever-present white board, on which he scribbles calculations and notes, conducting perhaps the world’s most rarified economics class, often to many of the world’s most rarefied economists.

Epstein’s apartness or parallel life in part reflects much of the other-worldly characteristics of the wealth revolution that began in the late 1970s and that continued through the Wall Street boom of the 80s, the tech boom of the 90s—surviving, to often bitter attack, the banking crisis—and that has now seen the emergence of the international billionaire and oligarch class.

Epstein’s way to riches was to become a student of such wealth as it has grown to an unanticipated and disruptive scale. His stock in trade is not precisely the making of money, but the issues that arise when money, at a heretofore unimaginable rate, makes itself, altering many basic economic, social and personal calculations.

He recounts a dinner he had two nights before. It is, like much of what he does, a conspiracist’s fantasy. The six men at this dinner, all technology entrepreneurs, represented, together, several hundred billion dollars.

“In the past, only governments had this kind of money,” says Epstein making something of a pedagogical point, “money of a reality altering scale. In fact, it used to be that the rich, reaching a certain point of philanthropy, merely hoped to help make the world a better place, now they want to change the world. Rockefeller and Carnegie were, as examples of social-engineering philanthropy, unique. They alone had such resources and will. Now you have legions of people who have to give away vastly larger fortunes than Rockefeller or Carnegie had at their disposal, or might even have imagined.

"Except that it's actually hard to give away this kind of dough, without causing more problems than you're solving."

Epstein's long-time business thesis is that the rich know very little about their money. They may know about their own businesses, but the great sums that are the result are an ultimate after thought and demand an entirely different sort of intellectual discipline. The Forbes 400, says Epstein, not immune to an amount of wonder, increased their wealth by $500 billion last year, meaning, in effect, that every American billionaire makes more than another billion every year. And, points out the 62-year-old Epstein, they will almost all be dead in 30 years, most well before that, meaning $2 trillion, compounding everyday, will have to be given away. "So, to understand the future, what you have to begin to do is follow the money, not in Watergate-like terms backwards, as in who has gotten it, but forwards to where it will go and who will get it."

Epstein can find himself echoing aspects of Thomas Piketty on the inequities of the accumulation of wealth ("the divide is between people with assets, which appreciate, and people without assets, who fail to advance—that is, of course, the miracle of compounded interest"), except for the fact that Epstein, knowing the rich, understands a curious point that Piketty doesn't: "Nobody, *nobody*, wants to give it to their children. Everybody now has the modern appreciation that one of the curses of great wealth is that it makes your kids weird and fucked up."

Epstein's position in this private allotment of a decent fraction of the U.S. Gross Domestic Product is not as philanthropist but as a higher sort of banker or guru or brain—a rich whisperer—making him, in addition to rich himself, arguably, among the most influential people you've never heard of.

Though, likely, you have heard of him, but not for his prowess with high abstraction, but for a scandal of such luridness that he is, for a great many, the poster child of the lawlessness of privilege and wealth, and for a much smaller circle, the poster child for what can happen when you become the target of a resentful world. He is *that* Epstein, according to the Daily Mail—among his most dogged press antagonists—"one of America's most notorious sex offenders."

Epstein might be among the most reviled men of the time, and yet the mighty and powerful, apparently evaluating the nature of disgrace on their own terms, beat a path to his door. It's a fantastic conclave of influence in his dining room: financiers, billionaires, heads of state, economic ministers.

He surely represents the kind of insiderism that is mostly just a figment in outsider's fantasies. Except for the fact that, straining credulity, Epstein is real. His is an ultimate sort of fantasy of power, wealth, and secrecy. (Many, in fact, have accused him of making up his own fantasy.) Were the International Jewish conspiracy to actually exist, it might be here in his dining room (while not everybody in his circle is Jewish, it's a recognizable sort of hamish atmosphere, with an acknowledgement that a generally "think Yiddish" point of view prevails).

It often crosses my mind, when I am invited here, that I must have made a Faustian bargain—so Faustian that I am not even aware of it. (In 2004, when the then owners of this magazine put it up for sale, I was involved with a group trying to buy it—an effort in which Epstein volunteered to invest $20 million. New York was subsequently sold to another wealthy investor.) Without ever being asked to keep what I have heard here off the record, I've willingly done so, least I not be invited back. And, too, to protect him. Who would understand Jeffrey? Who could explain him?

Certainly Epstein's past encounters with the press (and in many ways with the entire outside world) have been about as disastrous as any could be, helping to open a Pandora's box of lifestyle vulnerabilities that sorely, unluckily, and—in the eyes of many, in the eyes of *most*, rightly—offended time and place and sent him to prison.

And yet here he is, in his 50,000 square foot mansion, despite his sex offender status, dispensing advice to world leaders and business titans.

It is Bill Gates who for some time has been prodding Epstein to begin a process of public rehabilitation. Epstein has been advising Gates on a vast expansion and restructuring of the Gates foundation. Hence, as part of an effort to get "out in front" of the unfavorable notice that might be expected to greet Gates' public association with Epstein, I, as a favored journalist, have been given a degree of carte blanche to write about Epstein's life, with the hope, on Epstein's part, that the high regard in which he is held by many highly regarded people might leaven his reputation. And with the hope on my part of learning more about how and if the rich are different than you and me (although we can fairly dispense with the if).

Then, just before the New Year, Epstein forwarded me a heads-up email that Alan Dershowtiz, one of Epstein's long time friends—they have a bickering brotherly relationship—and occasional legal advisors, had received from a reporter at Politico and forwarded to Epstein. The Politico reporter had been following Epstein-related court filings (there is a determined contingent of Epstein reporters) and found a new one added to an old law suit with some rather jaw-dropping, if not preposterous, recent allegations.

This seemed to me to be merely a desperate, even comic-book, filing—just a lawyer trying to revive a dead case.

Eight years after the original filing, a Florida lawyer was now seeking to add new plaintiffs to the old case, accompanied by sensational allegations connecting a catch-all of bold-faced names associated with Epstein, including Dershowtiz and Britain's Prince Andrew, to a "sex slave" ring.

I responded to Epstein that I doubted this would be seen as credible by anyone.

Epstein, who sometimes seems to have an out-of-body attitude to his own fate and bad press, said he thought it might be "quite a show."

Two days later, the Daily Mail, which has become the effective ground zero in the English language for anti-privilege, and moral opprobrium (the more salacious the better), and whose editor Paul Dacre has a long time feud with Prince Andrew, put the story on its front page. (Epstein also has a long relationship with the family of disgraced press baron, Robert Maxwell, another reliable target of the British press.) Flimsy and far-fetched court filings in the U.S. by settlement-hungry plaintiffs might be discounted by skeptical U.S. reporters, but, the U.K. media, constrained by onerous rules about legal proceedings in the U.K., promptly went into tabloid frenzy (even the normally sniffy Guardian, in full anti-royal and anti- billionaire fever, joined the tabloid show) and effectively exported the story back to the U.S., where Epstein's connection to Bill Clinton, and, hence as a shadow over Hillary, became the news.

"I told you," said Epstein.

There is Epstein in his inner world, trying, quite ostrich like, not to look out. Little beyond his strict realm seems palatable or even in a sense familiar to him. He's a foreigner out here. Not too long ago, I met him for lunch in the West Village, the first time in more than ten years, he pointed out, he'd been to lunch in a restaurant (a not particularly pleasant experience for him and we were out in 30 minutes).

Then there is the outside world pressed to the glass, appalled and titillated by the monster inside the big house—a kind of Boo Radley of the Upper East Side. I have taken friends by the Epstein mansion, and the reaction to its other-worldly size in Manhattan is almost always the same: an incredulous guffaw. Press accounts, seldom supplying new information, ever recycle and repeat the mysterious (and monstrous) billionaire mythology, with brief glimpses of him stepping out of the house (the same photos endlessly republished), and the assumption of depravity inside.

In fact, the life in the house, without wife or children or conventional domestic demeanor, in some way conforms to the most scripted fantasies: a life somewhere between Daddy Warbucks and Eyes Wide Shut.

The domesticity of the house, and the background of Epstein's problems, centers around a group of young women who act as his support staff and companions. Some have worked for him for many years, marrying, having children, and continuing as part of his business and household infrastructure. One woman, on an afternoon when I was there, recently married, had just returned from an around the world honeymoon that Epstein had arranged for her. Some are his romantic interests. His present girl friend is in dental school. One former girlfriend, Eva Andersson Dubin, a Swedish model and Miss Universe finalist, became a doctor and married hedge funder Glen Dubin and together they finance the Dubin Breast Center at Mount Sinai Hospital. Most at one time will travel with him to his floating residences—the ranch in New Mexico, the vast apartment in Paris, the Island in the Caribbean, the house in Palm Beach.

This is so outside of conventional living or staffing or romantic relationships that it is hard to describe in a straightforward way. It sometimes seems part of Epstein's implicit challenge: not just look at me, but do you dare look at me? Or it seems he is just oblivious to what other's are thinking. A sort of fatal tone deafness.

Epstein's young women mingle freely with his powerful guests, not so much as hostess or, in tabloid language, harem-like (or as "sex slaves"), but often as attentive students (that, of course, might be regarded as having its own fetish-like attraction).

Once, Epstein invited me to sit in on a day of presentations to him in his dining room by various "quants." Quant theory involves making investments based solely on mathematical and statistical models. This method can often have uncanny predictive powers. But the problem is it doesn't scale very well—the market, having discerned a pattern of successful investing, quickly copies and discounts the advantage. Epstein's effort was to identify a dozen or so promising algorithms (each quant is effectively hawking his secret sauce algorithm) and invest up to $5 million with each. (Epstein's advantage here, over traditional investment firms, is that he was proposing to do this without needing to own the algorithm itself, the manner in which many firms operate to the disadvantage of the quants.) I knew paltry little about this and so rather found myself identifying with the young women to whom Epstein was explaining the basic math and mechanics. (Epstein demands a certain amount of pedagogical attention in return for a wealth of information.)

Hefnerian prurience becomes quite businesslike: poised young women in a mansion on the Upper East Side with various office responsibilities—really not that different from any of the art galleries in the surrounding neighborhood.

The Epstein house/office is, not unlike many nearby galleries, an ultimate club, a private reserve, a place of shared and valuable information—indeed, the kind of place, that, even for the most ardent conspiracists, might seem a little too movie-like. And while it's hard to explain why, given the radio-active nature of Epstein's disgrace, the rich and powerful still beat a path to his door, it's also notable in the fixed hierarchy of who comes to whose turf, that everybody, when they went to see Epstein, comes to him.

A week in late September, U.N. week as it happened, began, on Sunday, at Epstein's house with a colloquial for billionaires—Gates, TK, TK, TK.

Epstein, preternaturally responsive to both the price of oil and to the politics of the middle of East, entertained that evening a delegation from Qatar, including **Sheikh Hamad**, the foreign minister. Hamad, indeed, lives across the street in a similarly furnished house—he and Epstein have the same decorator. Epstein, in his relaxed and amused demeanor, kept prodding: "Why are you financing the bad guys? What do you get out of that?"

The Qatarians, in some mild diplomatic discomfort, seemed most worried that their bid for the World Cup might be compromised by bribery allegations.

At 9:00 next morning, Epstein is joined for breakfast in the dining room by Reid Weingarten, who's represented among other fat cats in trouble, Worldcom's Bernie Ebbers and Goldman Sach's Lloyd Blankfein. Weingarten, horse, with a cold, and dejected, is just back from a failed defense of former Connecticut Governor John Rowland. (Epstein: "You actually believe he was getting fucked?" Weingarten: "From minute one.

I'm not a virgin. But his was the worst I've ever seen. It was like an assassination.)

After a short discussion of the Qartarian's visit—Epstein is serving the chocolate, made from pistachios grown on the Shakes farm—and speculation about who actually controls ISIS, I am asked to leave the room. Twenty minutes later, after what ever business has been transacted or particular confidences, shared I am asked back in.

"Why?" I asked Weingarten, when Epstein briefly steps out of the room, "do some many people keep coming back here, everything considered."

"Why we camp out here? I find that question as mysterious as you do," says Weingarten.

Shortly after Weingarten leaves, Epstein tells me that Eric Holder will resign by the end of the week—which he does.

Epstein summons in the next person cooling his heels in the anteroom. It's a young man named Brook Pierce, a former child actor, and dotcom high flyer—a principle in a gaming company called DEN, a notorious dotcom burnout, with its own sex scandal—who is now a leading investor in Bitcoin. He describe himself as the "the most active investor in the field."

And, indeed, is the first clear explanation I actually get about Bitcoin. It is so good that Epstein stops him and checks to see if his next appointment is here. And seconds later, Larry Summers, the former treasury secretary and President of Harvard, enters the dining room. Summers, off Diet Coke, digs deep into the Shakes chocolates, focuses in on the Bitcoin investor.

"Okay," he says, after listening for a bit, "I have opportunities here. But an additional feature of my decision problem roughly speaking is that the worst that could happen to you is that you could lose all the money you put into it. Whereas, I could go—I mean I don't look that great now—but I could go from being seen as a figure of some probity and some intelligence to being a figure of much less intelligence and much less probity…"

"Well," says Pierce in what in some dramatic understatement, "you are going to have some low quality characters playing the space…"

That evening, there is a small cocktail party, which includes the former Prime Minister of Australian, Kevin Rudd, and Thorbjørn Jaglandthe head of the Noble Peace Prize Committee, who offers an affable, but general scathing, critique of U.S. diplomacy (and a brief defense of Obama's Peace Prize award) and to whom Epstein offers a ride back to Europe on his jet.

The next morning, it's Ehud Barack, the former Israeli Prime Minister and Israel, for breakfast. Barack is, over his omlet, able to defend both

Obama and Putin. Then Kathy Ruemmler, who has just left her job as White House Counsel joins. She is already in the mix as a possible next attorney general, but, in fact, will withdraw from consideration in part to work with Epstein.

Larry Summers wife, Elisa New, drops by. She teaches Americna poetry at Harvard and is putting together a proposal for a series on poetry that WGBH in Boston may produce and Epstein is advising on where she might go for added support (he also makes mince meat of her budget).

MORE…TK

Perhaps it's just the ultimate feminist nightmare: Men (and a few opportunistic women) continue to come to Epstein's because, no matter their public bows to modern manners, they simply don't care that he offends every aspect of feminist sensibility; when it comes to power, feminism doesn't count.

Or, it's a guilty pleasure. People who know Jeffrey exchange "Jeffrey" stories. "That's Jeffrey," says Mort Zuckerman, the real estate billionaire and publisher of the Daily News (ever vitriolic in its coverage of Epstein), with a twinkle in his eye and obvious enjoyment, to tales of Epstein escapades. It is an outréness that Epstein seems delighted to cultivate. In Epstein's Paris apartment, 20,000 square feet on the Avenue Foch, a neighborhood otherwise occupied by foreign potentates, there is a stuffed baby elephant in his living room—that is, the *elephant in the room*. The single book on his bedside table is Lotlita (he is, beyond the joke, a great Nobokov fan).

Or, in a more sophisticated view, it's a two tier understanding of the world. There is a media version of the world, which most of us live in and largely accept, and are certainly influenced by. And then there are those people who live in the media itself and therefore know that it's mostly bunk. If the media says it, as likely some version of the opposite is true. I might guess too that for many of his visitors there's an order of identification: there but for the grace of God. Any hyper-prominent person might, at any time, run afoul of prosecutors, the political moment, the media, or the Internet hoi polloi.

Epstein is the Dreyfus of the rich.

And then there is the glue of wealth. Once, at lunch in the Epstein dinning room with Bill Richardson, the former Governor of New Mexico, and past Presidential aspirant, when Epstein left the room for a few minutes, I asked the obvious question, the one everybody asks each other, "How did you meet Jeffrey?" Richardson seemed surprised: "Jeffrey," he said, as though stating what should have been perfectly obvious, “is the biggest landowner in New Mexico.”

And then there is Epstein’s yet more structural explanation as to why after prison and with continuing tabloid infamy he can maintain his valued place. It comes back, not unexpectedly, to the nature or the needs of money:

“At a certain level of finance, almost everyone is allied with an institutional interest. You are part of government, or you want to be in government, or you are connected to a bank or other portfolio, or you have key relationships with certain corporations or industries. Because of my situation, I have none of that. I have no institutional bona fides which makes me in some sense one of the few independent sources of information and actual honest brokers. That’s the usefulness of disgrace.”

And then there is too, that he is right. Since I began working on this piece in September, Epstein predictions about the price of oil, the Euro, and the Danish Krone have all born out.

And something else, which perhaps also surely accounts for Epstein’s continuing relationships with the rich and powerful.

Most everyone who is now of a certain age and certain ambition and certain status grew up in, and found they were temperamentally suited to the new age of wealth that started in the late 1970s. A meritocracy on steroids, or, as Vanity Fair would baldly and ingratiatingly dub it, the new establishment, an increasingly parallel world, a self-invented one, at further and further remove from the ordinary one. In some sense, Epstein is just one version, picaresque, as well as louche, of this shared story.

Epstein was born in 1953 in Coney Island. His father worked for the city’s Parks Department. His mother was a housewife. He has a younger brother, Mark. Epstein was distinguished by little other than his math talents. The captain of the math team at Lafayette High school in Bensonhurst, goes on to Cooper Union where the tuition is free. He drops out after two years and begins taking classes at the NYU’s Courant Institute of Mathematics. Then, without a college degree, hence by slight of hand or deft misrepresentation, gets a job teaching math and physics at Dalton in 1974.

It’s his first exposure to the wealthy. They have, he concludes, just as many problems as the people in Coney Island, just different ones, almost invariably involving divorce and money. “I found it interesting as a science experiment,” he recalled not long ago as we chatted about his life. “It did not really involve me. I could just stand back and watch.”

Dalton fathers were attracted to him. Punch Sulzberger, the publisher of the New York Times, and father of one of Epstein’s students (Cynthia, the half sister of the Times' current publisher), tried to recruit Epstein to come to the Times. Epstein recounts a story of riding with Sulzberger in his wood paneled station wagon to the his country estate and Sulzberger talking to the chauffer on a phone from the backseat to the front.

In 1976, another Dalton father, asking "wouldn't you rather be rich than be a teacher?" introduced him to Bear Stern's chief Ace Greenberg, a conversation Epstein recounts as this:

Greenberg: "Everyone tells me you are super smart in math and your Jewish and you're hungry…so why don't you start working here tomorrow?"

Epstein: "What?"

Greenberg: "If your supposed to be so fucking smart why don't you understand English?"

Epstein: "Ok. Count me in."

Hence, Epstein, like many in the late 70s, arrived on Wall Street.

As will happen to a generation of others, by the fortuitous luck of being on Wall Street at that point in time, Epstein is transformed by a new, much faster, form of upward mobility. With a facility for getting along with rich men, he transforms at an even faster rate than others being quickly transformed.

He moves into a new building at 66th Street and Second Avenue—the Maxwell Plum era when the 60s on Second was the glamour address—a building full of "actresses, models, and super stars."

And yet, the Wolf of Wall Street model may be off here. If on one side of Wall Street there were the salesmen, on the other side there was a new level of acute abstraction and the people who could embrace it.

"In the past," says Epstein, "investing was all about reputations and relationships. You invested in a company on the basis of who was running it. Did they have integrity? Were they married? Good family men? It was a 50's mentality. But in the mid 70s options started to be traded. In essence, the first formal derivatives. The movement of this instrument is not directly attached to the stock price. The world of investing began turning from relationships to math. In a sense I didn't really make money as much as I did create it. This was intellectual activity of a fairly high order."

Still, in Wolf of Wall Street-ish fashion, he meets Helen Gurley Brown and she makes him Cosmopolitan Magazine's Bachelor of the Month in 1980.

"What," I ask, "was your social life like?"

"Well, I was a playboy."

"That's all? Not looking to get married?"

"No. Never. I never wanted to get married. I wanted sex. I liked women. I wanted freedom. I was attracted to the rich because of their freedom. But I wanted also to avoid their burdens. And I didn't want to hide. I didn't want to be a hypocrite. I wanted to be free."

His rise at Bear Sterns was a steep one. And he soon became the protégée of Jimmy Cayne (also hired by Ace Greenberg on whim—he met him in a bridge game—who would go on to run Bear and to lose his fortune in Bear's 2006 collapse). Epstein's leave taking or ouster from Bear is the result of politics, envy, overreaching, or a securities violation, or…unclear. But, no matter, he leaves in 1982 with billionaire clients, including Marvin Davis, a real estate developer who owns Twentieth Century Fox, and Herb Seigel, a major media investor in the 1980s. Epstein is dating Morgan Fairchild, a television star in the 1980s rich-family soap operas, Dallas and Falcon Crest.

Now begins the Concorde phase of his life—and the Concorde phase of the 1980s. If the 80s are happening pell mell in New York, they're happening at double time and catch up speed in London. Epstein is 30 years old and living, in Lifestyle of the Rich and Famous fashion, at English shooting parties at country estates with Saturday night black tie dinners, where he's meeting the great families of Europe. It's Euro trash pageantry.

"I don't take it seriously," Epstein recounts. "I'm not caught up in it. I'm not trying to make a billion dollars. There is no ultimate goal. Or its just to meet smart people, interesting people. But no long-range plans. Often no short-term plans either. I would head to Kennedy and, on the theory that most important events are serendipitous, I wouldn't decided where I was going until I got there."

At the same time, he is developing a perception, or, at least a market differentiation: wealth was not a fixed issue. The super wealthy had different problems than the very wealthy. Dealing with a billion dollars was different from dealing with $100 million:

"While if you had a billion dollars the last thing you should be worried about was money, in truth money was what you most worried about. How to make more of it, how to give away more of it, how to protect you children from it, how to hide it from your wife, how to avoid paying taxes on it. The traditional wealth services structure, an accountant, and investment advisor, a personal lawyer, and an idiot brother-in-law, became hopelessly outdated as amounts geometrically increased.

"You can't spend a billion dollars, you can just relocate it to a different investment class. And you can't give away a billion dollars without a vast staff, in effect going into the business of giving away money, yet another business you are unlikely to know anything about."

At just about this point in the narrative, the questions or the incredulity begins in social circles and eventually in the media. He begins to acquire the major symbols of riches but does this without position, public holdings, or obvious paper trails. In essence, the formulation is, how can a person have enough money to merit increasing attention, but no clear way of having gotten it. Epstein gets stuck in that tautology. He may be rich, but he is without institutional protection or bona fides. He is a questionable substrata of wealth. He's a freelancer.

In the Epstein telling, he's representing a series of vastly wealthy people and families.

In a sense, he's their instrument, doing their bidding, and for a period describes himself as recovering money, as something like a private detective. If early in his career he might seem like a sort of George Peppard (there's a resemblance) in Breakfast at Tiffany's, a charming hustler, later he's George Peppard in Banacek, a smart and astute operator.

He steps up his game and his relationship with the rich. He's not just doing their bidding or their investing, he's helping them to imagine the ambitions of their wealth. They've satisfied their business dreams. Now there are the separate challenges and possibilities of their actual wealth.

In essence, the response to this, as he becomes more public, as a function of envy and media, is "bullshit." True, there is no clear alternate narrative. No one is accusing him of anything, accept, sometimes, guilt by association. (In addition to Robert Maxwell, who will be accused of fraud, there's Steven Hoffenberg, briefly a New York high flyer, who went to jail for a Ponzi, for whom Epstein acted as a consultant.) But the characterization persist: if it's not clear, it must be murky. Sure, Goldman Sachs partners and tech fortunes, but what to make of a Coney Island, Zelig-like no-namer?

In 1994, just at the moment when Prince Charles is on television acknowledging his love for Camilla Parker Bowles, Jeffrey Epstein is sitting next to Princess Diana at a dinner at the Serpentine Galley in London (Diana is wearing her "revenge" dress that evening). Graydon Carter, into his second years as editor of Vanity Fair, is also at the dinner. Epstein's rise and Carter's rise are not, with a little critical interpretation, that different. Both are a function of the age of new money, and both are helped by strategic relationships with the exceptionally wealthy. To say that Epstein, sitting next to the Princess, sticks in Carter's craw would be an understatement. Epstein becomes one of the "what do you know about him" figures in Carter's gossip trail—a story waiting to happen. A variety of the gossip that begins to circulate about Epstein—for instance, that he secretly films his guests—is seeded by Carter, who once advised me not to go to Epstein's house or accept a ride in his car least I risk being blackmail. ("For what?" I asked Carter. "For you have no idea," said Carter.)

Epstein is playing a cat and mouse game with his own growing wealth and influence. He is private and secretive, but grandly so. He joins the board of Rockefeller University. He's suddenly on the Trilateral commission, that cabal of business people who fancy themselves, and who are fancied by conspiracy buffs, as running the world. He acquires, from his client Limited Founder Les Wexner, the larges private house in Manhattan. He buys an airplane. He buys another. He expands his holdings in New Mexico. He begins a Zanadu refurbishment of his Caribbean Island. He befriends Bill Clinton in his new after-office life.

And that's quite the fatal pairing.

The post-Monica Clinton, now having pardoned the on-the-lam financier Marc Rich, is suddenly being ferried around in the jet of…*who* exactly?

The New York Post is the first to take formal media note of the Clinton-Epstein connection, hinting at a sex and money bromance. The instinctively private Epstein is not just increasingly exposed, but clearly curious about the nature of exposure.

I met Epstein around this time. Epstein has become a more and more active backer of advanced scientific research—ultimately he will donate $30 million to Harvard for a theoretical physics research center—and in 2002 he was taking a small group of scientists out to the TED conference in Monterey. The TED organizers invited various other TED participants, including me, to join the flight. A small group assembled at the private plan terminal, most of us unfamiliar with our benefactor, and as we headed in the direction of the discrete private plans we were gently pointed to our ride: Epstein's 727.

It is some thoroughly updated drawing room set-up, all of us nervously ensconced in this luxury plane, waiting for our unknown host to arrive. Epstein, looking more like a Palm Beach bon vivant than it would have been possible to imagine anyone could, was accompanied by three young women.

It would be unlikely, outside of a men's magazine fantasy of the luxe life, to located this in reality. Epstein's attentions, taking time with each of his passengers, seemed impossible to account for. The quiet of the plane, engineered into acoustic perfection, seemed spooky. Epstein's companions were witty, poised, helpful as well as powerfully alluring (as though stewardesses bygone times).

At one point, sliding into the seat beside me, Geraldine Laybourne, then the head of the Nickelodeon network, whispered, with more awe than horror, “This could be the closest I’ve ever come to pure evil.” (One more thing about this trip: Google founders, Larry Page and Sergey Brin, came out to see the plane and, with a few other Googlers, literally ran whopping from one end of the plan to the other. Then they described for Epstein, in what I can not now remember as put on or entrepreneurial brainstorm, a brand extension in which they would market a line of Google bras with the Os as convenient cups.)

Not long after this trip, Epstein’s assistant called to invite me for tea at his house in New York, where Epstein, with what seemed to me little understanding of the subject, began to ask me about media—the upside, downside, and nature of media coverage. This magazine was then soliciting him for a profile, as was Vanity Fair, who had assigned the British tabloid reporter, Vicki Ward, to the job.

Both profiles pivot on the Clinton connection and detail the same quandary, how a man without clear institutional bona fides nevertheless achieves wealth and influence. Ward, who would more recently assert in the Daily Beast, that she was barred by Vanity Fair from writing about under-age sex evidence (a fact that could be read the other way: Vanity Fair, even looking to take down Epstein, did not find the evidence credible), went down a rabbit hole of possible questionable contacts who might or might not have been the source or sources for Epstein’s wealth, seemed to get no closer to an answer, beyond confirming her own sense of dubiousness.

Epstein, sensing that he might be exposing himself, tried to stop the process (Ward, well known for an operatic view about her reporting exploits, says he threatened her), called Carter and said he was having second thoughts about being a public figure.

“Then you should live in a two bedroom apartment in Queens,” responded Carter.

And then the troubles began.

Epstein, in man-who-can-have-everything fashion, has, for many years, ordered up a daily massage following his workout sessions.

“Often these were massage massages,” says Epstein matter of factly, “but sometimes these were happy ending massages, especially in Palm Beach, where there are many massage parlors—‘Jack Shacks,’ they’re called—that do outcalls. There was no sex. An often there was no happy ending. Often I would be on the phone for the entire massage. There were however a lot of massages and a lot of girls, with one girl recommending others."

It is after Epstein's round of publicity and widely touted association with Clinton, that the mother of one of the massage parlor girls who have gone to Epstein's house (most of the girls return to Epstein's house many times) calls the police. The place interview the girl, Saige Gonzales, who then supplies names of other girls. Some of whom are found to be younger than 18.

In the end, the police track down 18 girls—nine who are under 18—who give depositions describing scenarios not terribly different from Epstein's description above, except each is laid out in clinical, lurid, and near-identical detail—a cold and forceful Epstein demanding that unwitting juveniles (though they have come here for this very purpose) perform repulsive (or at least repulsively described) acts on him. (Although the nature of the allegations will dramatically grow, nobody at this point alleges that he did anything to them.)

Epstein, vastly raising the stakes, calls Dershowitz, who flies into Palm Beach to put the local authorities in their place—alienating Palm Beach officialdom—and, doubling down on the profile of the case, bringing in Roy Black the famous criminal attorney who defended William Kennedy Smith in his rape trial in Palm Beach.

Here's the narrative: the shadowy rich man, friend of the louche and disgraced President, at all times surrounded by a retinue of gorgeous retainers doing his bidding, is now found to have gathered a network of wrong-side-of-the-tracks Palm Beach girls to provide him with weird sexual services. (It somehow seems weirder that he doesn't have sex with them.)

Palm Beach Police Chief Michael Reiter is reported to say: "This is bigger than Rush Limbaugh," who, in a storm of publicity, has just been arrested in Palm Beach for possession of controlled drugs.

On one side are some of the nation's most powerful defense attorneys (who, increasingly, seem more stumblebum than effective), on the other side, a round-up of hapless girls, with sensational tales of perversion and infamy (in the telling they are not so much sex workers, as Dickensian victims), relatively speaking giving the Palm Beach authorities the choice between utter capitulation to the powerful or standing on the side of the exploited and powerless.

Still, with a critical eye, it also quite appears to be a straightforward tale of prostitution. And even though some of the girls are minors,, age is not a distinguishing factor in a prostitution charge in Florida, nor in most places (in New York, for instance, at this time soliciting sex with anyone over the age of is a class D misdemeanor calling for a 100 dollars fine).

In fact, Saige Gonzales told the police that she lied about being 18 because otherwise she knew she would not have been admitted to the house.

The local sex crimes prosecutor, Lana Belhalevic, interviews the girls and determines that the offense is solely related to prostitution.

Dershowitz rejects a series of lower-level plea deals and Palm Beach District Attorney Barry Krischer takes the unusual step of empanelling a grand jury, which returns with a recommendation of a single count of soliciting a prostitute—a charge without jail time. (And Epstein can apply to have his record expunged after a year.)

At which point, Reiter, the police chief, at odds with the District Attorney's office, recruits the involvement of the FBI. This is of course the Bush-era FBI and Epstein presents quite the Clinton-connected scandal. Still, solicitation, even of a minor, is not a federal crime. The FBI's hits on the novel interpretation that if Internet solicitation can be considered interstate commerce, so can telephone solicitation, permitting them to begin a deep dive investigation into Epstein's friends, many of whom receive subpoenas and who are threatened with prosecution as a party to Epstein's actions.

It's all quite in the eye of the beholder: On the one end, Epstein is paying for sex acts (Epstein paid $200 for a massage with or without happy ending), on the other, he is abusing teenage girls. Epstein finds himself caught in an inescapable moral quandary: how can a girl not old enough to vote be a prostitute? And yet, many girls not old enough to vote are prostitutes.

Compounding Epstein's predicament, the world outside of his carefully constructed and controlled environment is someplace that he seems not just ill-equipped to handle but in which he seems to be blindly grouping about (i.e. he's totally tone deaf). I visited him once during this time and found him weighing the conflicting advice of some of the most vaunted and egomaniacal lawyers (along with Dershowitz and Black, celebrity criminal attorney, Gerald Lefcourt, and Clinton prosecutor, Ken Starr) of the day—anyone with new advice, Epstein seemed to hire—as well as a catchall of the leading crisis managers, who he seemed to retain at will, all wrangling for fees and primacy. If it was a Dickensian world, he was caught in its legal system.

Certainly, the upshot of his dealings with the Justice Department seem to involve a farce-like logic. The government threatens to prosecute him (with the possibility of a 10-year sentence) and various friends, associates, and lovers, or offers an ass-backwards sort of deal in which Epstein has to go to the Palm Beach authorities and convince them to charge him with an offense that will send him to jail and get him a sex offender status. Except that a solicitation charge won't produce that result. Therefore he has to agree also to a procurement or pimping charge (even though he has paid money, not received it—the sine qua non of pimping). What's more, he has to agree to pay the legal fees of any of the girls who want to sue him—and, not to defend himself in their suits—forcing him to settle with each of the girls for what are reportedly high 6-figure sums or more.

He's sentence to jail in 2008 for 18 months and serves 13.

This hardly ends the legal catch all. Epstein's butler, Alfredo Rodriguez, steals and tries to sell an alleged journal or calendar with Epstein's activities—but he tries to sell it to an undercover agent. Rodriguez is sentenced to 18 months in jail on a charge of theft and of withholding evidence. Scott Rothstein, a lawyer whose firm represented additional girls in their suits against Epstein, also goes to jail for recruiting investors to pay for these suits on the fraudulent basis that settlements had already been reached.

Then, Brad Edwards, Rothstein's former partner, sues the government in 2008 for abridging their rights under the Victim Rights Act (under which victims have the right to be consulted). In 2014, tries to ad Virginia Roberts, one of the original complainants, who has previously settled with Epstein, to the long-running suit—and is now, with Edwards, further suing him for $50,000,000.

Roberts who has been the most vocal of the accusers, with the Daily Mail being her prime outlet, emerges now, more than ten years after the fact, with what is billed as a memoir of her "sex slavery" with Epstein, written ten years after the fact. She names a number of people as being at Epstein's Island home, including Clinton and Al Gore and his wife, who Epstein insists were never there—proof available through secret service records.

It is hard to find a more hyperbolic intersection of media and lawyers then in Epstein's case.

Edwards, over the six years of his law suit, tries to depose Clinton, Donald Trump, and Dershowitz—almost all of his targets coming directly from the original Vanity Fair and New York Magazine articles about Epstein.

In addition to Prince Andrew as a British hot button, first connected to Epstein through Roberts' interview with the Daily Mail in 2010, Clinton takes on a new role as Hillary spoiler through his connection, real or imagined, to Epstein and sex slaves.

The world cleanly divides, with Epstein (and friends) behind secure walls—looking out at an angry and uncomprehending world—and the Mail and social media and upholders of new norms, seeing Epstein as a useful and terrible symbol and baying for his blood.

He is all bad things rolled into one: the financier whose wealth is a product of abstraction rather than work; a rich middle-age white man who not only parades his wealth and entitlement, but has a Peter Pan complex to boot; an unreconstructed sybarite and feminist nightmare; an insistent Playboy in a correct and prudish world; someone who somehow didn't get the memo about vast changes in mores and culture.

When I suggested recently that one obvious way to blunt the animus is to get married, he said he would rather go back to jail.

He is Calvin Harris's song, It Was Acceptable in the 80s, come to life.

And worse, although he has been jailed for 18 months and paid out what may be as much as $20 million, he seems somehow to have gotten away with it too—that worst sin of all.

This is all, inevitably, a Gatsby-like story, except with none of the sentimentality or romantic longings accorded Gatsby—or at least that Nick Caraway and Fitzgerald accord him. Gatsby in New York Post and Daily Mail parlance would be a freaky financier too.

And that partly is the issue, Jeffrey Epstein story isn't one for black and white journalists. It's a complicated story, real but necessarily fictional, a long-running cable series, perhaps, not an ordinary good-bad, right-wrong tale, but a premium one, compelling precisely because it is about all the ambitions and impulses that we are afraid of, not least of all because for many of us they exist within ourselves.

How Prince Andrew shared a room at Epstein's Caribbean hideaway with a busty blonde who claimed she was a brain surgeon

By Angella Johnson

Updated: 21:26 EST, 12 March 2011

The official-looking document, left casually on a desk, marked the beginning of the end for Cathy and Miles Alexander's eight years managing Jeffrey Epstein's private Caribbean island, Little St James.

'It said Warrant of Arrest, in big bold letters,' recalls Cathy.

'I picked it up and saw Mr Epstein's name on it.'

Inside view: Catherine and Miles managed Epstein's private island for several years

Shocked, she ran out of the room to tell her husband 'something bad is going on'.

Indeed it was, for the shamed financier, a close friend of Prince Andrew (who visited the island at least three times), had been arrested the previous day for under-age sex activities.

But 24 hours after his arrest in July 2006, a visibly pale and shell-shocked Epstein stood in his designer kitchen complaining to the South African couple who had run his island paradise since 1999 that he was a victim of entrapment.

Speaking at their home in South Africa, where they live in semi-retirement, the Alexanders reveal they had watched with increasing concern the beautiful girls who paraded about the house topless or naked whenever their boss was in residence – until Cathy became so disturbed that she insisted they part company with Epstein in 2007, a year before he was sentenced to 18 months in jail for solicitation of prostitution.

Paradise retreat: Little St James, a private 72-acre island three miles off the east coast of St Thomas in the U.S. Virgin islands owned by America billionaire Jeffrey Epstein

'I saw some girls who I thought were very young-looking – about 16 or 17 easily – and it bugged me because I have a daughter and, although she was in her 20s, I didn't like the idea that another woman's child was in that situation. I didn't feel comfortable about it,' she said.

'They looked like they had stepped out of an underwear catalogue. They walked around with very few clothes on or lounged around by the pool with nothing on. It was like that most of the time. I was concerned about their ages. A few of them looked very young and I couldn't help but wonder if their mothers knew where they were.

'One very young-looking girl was called Tila. I just thought, "You really shouldn't be here", but I made myself switch off as I had no proof.'

Island guest: Model Naomi Campbell stayed as a guest on Epstein's Caribbean island

The couple, who have been married for 24 years, still find it hard to comprehend that Epstein is a convicted sex offender.

'He was a very kind man and, while I don't approve of things he's been accused of, I liked him very much,' says Miles.

While Cathy says she was always suspicious about the girls' ages, Miles insists: 'I took the view that what went on behind closed doors was not my business and it is not my place to judge. If anything was going on we didn't want to know.

'Our job was about discretion. We have a clear conscience that we didn't witness anything untoward. Whatever went on at the other houses – and yes, we heard things from other members of staff – it didn't, to my knowledge, happen at our property.'

Miles also says that on several occasions he refused Epstein's requests to smuggle female guests in by boat, to circumvent the strict immigration policies of St Thomas, the island with authority over Little St James, which would have meant logging names and passport numbers.

But he was aware that Epstein found others to do his bidding. For as the couple were told when they were hired: 'What Jeffrey wants, Jeffrey gets.'

The words came from Ghislaine Maxwell, who was then Epstein's girlfriend. She flew to South Africa with Andrew Shannon, a lawyer, to interview the Alexanders in 1998, after they had replied to a small ad for 'management couple sought to run private island'.

After apparently passing the interview, they were invited to meet Epstein in New York.

'It was very strange,' said Miles. 'We were taken by a driver to an office near Madison Square Garden. A gentleman wearing a polo shirt and jeans stepped out of the lift, asked if we had a good trip, shook our hands and left. That was it. Then Miss Maxwell came back and said we had the job.'

Ghislaine then took them to 'the big house' in Manhattan, which is said to have been the scene of sex parties and where young girls were allegedly hired as playthings for Epstein's wealthy male friends.

‘We spent five days there shadowing the staff to see how they did things,’ says Cathy.

‘A dinner party was held on the fourth night, but it was very formal and businesslike. I saw no girls – young or otherwise – at the time. We would never have willingly put ourselves in that kind of situation.’

The following day they were flown to St Thomas and transferred by boat to Epstein’s island house, a sprawling single-storey complex with white walls and a blue roof, maintained by several gardeners, two boat captains, two laundry ladies and two other women who cared for the house.

Again the couple were there to observe, but after three days they were woken in the night by a phone call telling them they had to leave the island because a VIP was making an unexpected visit. They were later told by staff that the guest had been Prince Andrew.

They went back to New York, where Ghislaine explained more of their duties.

‘She said we had to keep quiet about what we saw or heard on the island,’ Cathy recalls.

‘She told us that although Mr Epstein and she were a couple, we would see lots of beautiful girls passing in and out, but that was his nature.

‘She said that he gets what he wants but that she was always the “Queen Bee” and the one in charge.

‘She often described herself in this way. Although she could be very friendly, I discovered that she was also rather arrogant.’

Miles took up his post in March 1999 and Cathy followed a month later. Miles realised the kind of lifestyle their boss enjoyed when, on his first day, Epstein arrived with five young ladies in tow.

‘One was definitely under age, but she had a letter of consent from her parents and was under the guardianship of a model agency,’ he says.

Friends in high places: Lord Mandelson has also vacationed on Epstein's island

The Alexanders admit finding a box of sex toys in Epstein’s bedroom, but insist they never saw nor organised any raunchy parties for him or his guests. Cathy recalls that Prince Andrew was the first guest to visit during their tenure.

‘The Duke came via helicopter with his bodyguard and a woman in her 30s, who said she was a brain surgeon,’ Cathy says dryly.

‘She was tall, bleached blonde and had big boobs. They shared a room and spent most of their time on the beach windsurfing, sailing or doing other water sports.

‘One day he came back into the house in great mirth. He said that his guest had stepped on a sea urchin and he urinated on her foot as a remedy. “The royal member has done its duty,” he chuckled. He was great fun and very undemanding.’

The Prince stayed for two weeks and left a tip of $350 (£220).

‘He slipped it into my hand when we said goodbye,’ says Miles.

‘It was unexpected because other guests didn’t.’

Andrew would visit at least once more, that they recall, with Ghislaine and Epstein.

‘He also flew over the island on his way to Montserrat after the volcano had erupted and got the pilot to dip the wings as a signal to us.’

The Prince’s ex-wife, Sarah Ferguson, who became embroiled in the Epstein controversy last week when it was revealed that she had accepted £15,000 from the sex offender to pay her debts, visited once with her daughters. Epstein refused a second request for her to visit on her own.

‘Lots of people came and went,’ says Miles. ‘It was like running a five-star hotel where no one paid.’

Others who passed through included model Naomi Campbell, who arrived for two days with what Miles and Cathy called her ‘coffin’ – a huge oversized trunk filled with clothes.

Peter Mandelson holidayed there with his long-term boyfriend Reinaldo, who suffered sunburn and whined about it ‘like a baby’, says Cathy.

Numerous academics, architects and some of the most prominent scientific and business minds also enjoyed Epstein’s generous hospitality.

‘I can only surmise he might have wanted favours from these people,’ Miles suggests.

For all his wealth, Epstein appears to have led a simple life on the island.

‘Dinner was very informal, he never drank alcohol and we rarely had it in stock.

‘He also had a habit of not eating meals in front of people. Instead he would have nibbles such as crab cakes in his room.’

His most obvious luxury on the island were his daily massages. Former Epstein ‘masseuse’ Virginia Roberts says these were usually little more than foreplay to a sex act.

According to the Alexanders, whatever went on was performed in his bedroom.

‘We were warned by Miss Maxwell never to disturb him there. It was absolutely forbidden,’ they say.

Between 1999 and 2004, Epstein would visit at least once a month and Ghislaine was invariably with him.

Miles says: ‘In our final meeting, he told me I had always been his conscience. I’m certainly battling with my conscience now.’

Riddle of phone numbers for ‘friends’ he’d never met

Revealing an extraordinary network of power and influence, extending into the fields of politics, finance and showbusiness, Jeffrey Epstein’s ‘little black book’ showed just how important a man he had become.

Yet when The Mail on Sunday contacted the people listed in the document, which was kept online, many said they had never met or even spoken to the disgraced financier.

And they were appalled to discover he had their contact details, often including home and mobile telephone numbers.

Lord Palumbo, the former Arts Council chairman and godfather to the Duke of York’s eldest daughter Beatrice, said: ‘I have never, never, met him. I am shocked I am in there. I am affronted. I don’t know him at all.’

Never heard of him: Both Toby Young (left) and Sir Richard Branson, were surprised to find themselves listed in a contacts books owned by Jeffrey Epstein

Dame Gail Ronson, a charity fundraiser and wife of the multi-millionaire British developer Gerald Ronson, said: ‘I’ve never, ever, met him. I swear, you’ve completely gobsmacked me. It’s really distressing, horrible.

‘I lead a very private life so to find out you’re on this list, it’s very unsavoury.’

Her shock was echoed by the celebrity milliner Philip Treacy.

‘This sounds crazy, I’m amazed,’ he said.

‘I’m a hatmaker, I’ve never met Jeffrey Epstein and never had any reason to. I make hats. Does he look like the kind of person who would wear a hat? Bizarre.’

The ‘book’ also had numbers for the JCB tycoon Sir Anthony Bamford, but a spokesman insisted: ‘There doesn’t appear to be any connection. Sir Anthony doesn’t know Jeffrey Epstein.’

The journalist Toby Young, said: ‘I’ve never been within 100 yards of him and we move in completely separate worlds. If you said I was in Colonel Gaddafi's Little Black Book I couldn't be less surprised.'

There were also numbers for the influential Rothschild family, including Sir Evelyn de Rothschild and his daughter Hannah. Last night she said: 'I have no idea why Mr Epstein would have my numbers as I don't know him.'

A print-out of the contacts book came to light after it was subpoenaed for use in a civil case against the financier by one of the young girls he employed as a masseuse.

The list included 16 numbers for Prince Andrew under his title The Duke of York.

His ex-wife, Sarah Ferguson, was entered under the Duchess of York and there were 18 numbers for her and her associates as well as an email address.

The 'book' also appeared to contain contacts of Epstein's former girlfriend Ghislaine Maxwell, including her extended family, friends and brief acquaintances.

One prominent journalist, who asked not to be named, was horrified to discover her parents' details were listed. She said: 'I knew Ghislaine once but that was more than 20 years ago. To be honest I find it really spooky.'

Artist Kate Stracher was also baffled by her inclusion.

She said: 'Ghislaine and I were at Oxford together but I haven't seen her since. I'm not at all glamorous and not at all well-connected. I definitely shouldn't be there.'

Others have had only the briefest of meetings. Philippe Amon, a Swiss industrialist, said: 'I think I came across Epstein some years ago in New York but I honestly don't think I would recognise him walking by in the street.'

A spokesman for Richard Branson said: 'Jeffrey Epstein has the island next door to Necker but Richard has literally only met him once for about five minutes. That's the extent of it.'

Those who clearly do have a connection are, perhaps unsurprisingly, less keen to talk about it.

Lisa Walker is listed alongside her friend Caroline Stanbury, a former girlfriend of Prince Andrew. She said: 'I met Epstein with Caroline.'

Asked if Prince Andrew was also present, Miss Walker said: 'I wish I could help but I don't think I should say any more.'

Police chief's fury over plea bargain

Leaned on: Police chief Michael Reiter

Michael Reiter was a popular small-town police chief with a lifetime's experience in finding the balance between patrolling the millionaire's playground of Palm Beach, Florida, and its blue-collar neighbour West Palm Beach, home to unglamorous social housing projects and trailer parks.

Throughout his 28-year career, he prided himself that his force treated the wealthy on his patch just the same as the very poorest. But his investigation into the lifestyle of predatory paedophile Jeffrey Epstein exploded his illusion that law enforcement could ever be impartial.

He soon discovered at first hand that a man such as Epstein, with almost unlimited wealth and influential friends including former President Bill Clinton, Prince Andrew and Israeli defence minister Ehud Barak, can effectively bend the law to his whim.

The 53-year-old police chief, who retired in 2009, was so furious at what he believed was obstruction by state prosecutors, who he felt had downplayed charges against Epstein, that he outlined his frustrations in an extraordinary letter to Florida state attorney Barry Krischer in May 2006.

He wrote: 'I must urge you to examine the unusual course that your office's handling of this matter has taken and consider if good and sufficient reason exists to require your disqualification from the prosecution of these cases.'

After failing to get a satisfactory response from prosecutors he believed had been 'got at' by Epstein, he referred the case to the FBI.

He wrote to one of Epstein's victims, saying: 'I do not feel that justice has been sufficiently served by the indictment that has been issued.'

Epstein's conviction for solicitation of prostitution came after an unprecedented plea bargain designed to protect him from future charges.

Mr Reiter later complained in sworn testimony connected to civil actions brought against Epstein that prominent politicians had repeatedly leaned on him to downplay the allegations against the financier.

Mike Fisten, an ex-FBI taskforce superviser who has led the campaign for the Epstein case to be reopened, said: 'Reiter went up against the entire town of Palm Beach to do what was right but he is not chief any more because of this.

'And eventually Epstein was given an immunity from prosecution deal the like of which I have never seen in my entire career.'

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Sent: 5/5/2017 3:19:21 PM
To: jeffrey E. [jeevacation@gmail.com]
Subject: I ONLY FORWARD THIS SO YO'RE AWARE OF ITS EXISTENCE--pk
Attachments: facebook.png; twitter.png; google_plus.png; rss.png; email.png; Screen-Shot-2017-05-04-at-10.31.40-PM-410x220.png; Black-teen-confronts-white-teacher-over-racials-slur-Twitter-410x220.png; Texas-Governor-Greg-Abbott-410x220.jpg; Joe-Scarborough-MSNBC-410x220.png; Sad-Paul-Ryan-via-twitter-410x220.png; Sen.-Bill-Cassidy-CNN-410x220.png; Screenshot-814-410x220.png; trumpepstein2-410x220.jpg; Big-Bang-Theory-1-410x220.jpg; Screen-Shot-2017-05-04-at-8.56.43-PM-410x220.png; default.gif; Sad-Paul-Ryan-via-twitter-290x156.png; Tennessee-Gov-Steve-Bashear-via-screencap-300x161.png; Sad-Paul-Ryan-via-twitter-300x161.png; Sen.-Bill-Cassidy-CNN-300x161.png; A-judges-gavel-Shutterstock-300x161.jpg; Screenshot-814-300x161.png; Rep.-Barbara-Comstock-Facebook-300x161.png; Big-Bang-Theory-1-300x161.jpg; Ivanka-Trump-ABC-News-300x161.png; a45-300x161.jpg; Black-teen-confronts-white-teacher-over-racials-slur-Twitter-300x161.png; Robert-Reich-2-300x161.jpg; Joe-Scarborough-MSNBC-300x161.png; Screen-Shot-2017-05-04-at-10.31.40-PM-300x161.png; rs-footer-email-icon.gif

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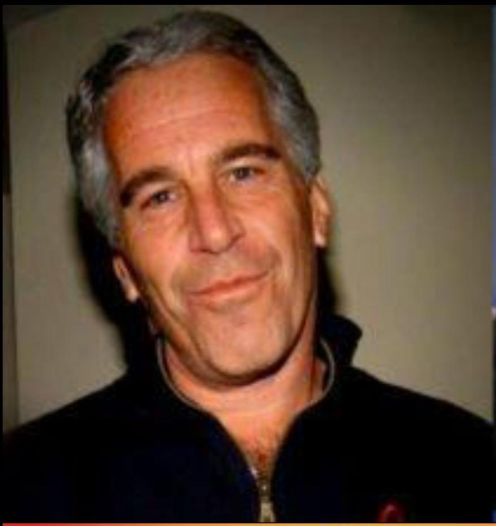

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Jeffrey Epstein (left, via YouTube screengrab) and President Donald Trump (right, via Creative Commons)

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Last fall’s **allegations of sexual assault against President Donald Trump** failed to stop his presidency, but one of the more explosive of those allegations is once again making headlines. ***POLITICO* reported that a new lawsuit** reveals details linking Trump to billionaire pedophile Jeffrey Epstein, a convicted sex offender. The reports indicate that one lawsuit contains information about Virginia Giuffre who alleges that she met Epstein while working as a towel girl at Mar-a-Lago when she was 15 before being recruited into “sexual slavery”.

Giuffre's case is set to appear before a judge on May 15, and although her **accusations against Epstein** have been public for some time, this is the first time the detail about her employment at Mar-a-Lago has been included.

Last summer, the **Trump-Epstein connection** made headlines when Trump was slated to win the Republican nomination, and just before the election, a woman came forward **alleging that Trump raped her when she was 13** at one of Epstein's parties — only to drop suit a few days later.

In 2015, Trump lawyers denied claims of the **then-candidate's involvement with Epstein** by saying their only relation was that Epstein was "one of thousands of people who has visited Mar-a-Lago". Those claims that fly in the face of a **2002 *New York Magazine* interview** in which Trump claimed to have known Epstein for 15 years.

"He's a lot of fun to be with. It is even said that he likes beautiful women as much as I do, and many of them are on the younger side. No doubt about it — Jeffrey enjoys his social life," Trump told reporters.

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How many degrees of separation between Trump and sex offender Epstein?

Jane Musgrave Palm Beach Post Staff Writer
2:47 p.m Friday, May 12, 2017 Homepage

President Donald Trump at the White House on Wednesday, May 10, 2017. (AP Photo/Evan Vucci, File)

PALM BEACH President Donald Trump is a shadowy, but ever-present, figure in the never-ending saga of billionaire sex offender Jeffrey Epstein.

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Mar-a-Lago, the commander-in-chiefâ€™s private-club-turned-southern-White-House in Palm Beach, was the backdrop for Epsteinâ€™s introduction to one of his dozens of teenage victims, according to court records.

In a short-lived lawsuit that Trump decried as â€œcategorically false,â€ a California woman last year sued Trump and Epstein in federal court in New York City, claiming the two business tycoons raped her when she was 13 years old.

And Trump is on a star-studded witness list for an upcoming trial in Palm Beach County Circuit Court that attorney Jack Scarola promises will be the first public airing of Epsteinâ€™s lurid lifestyle.

But, Scarola acknowledges, it is unlikely the president will be part of what Scarola promises will be a salacious trial in the fall.

Click here to find out why.

Will President Trump be used as witness in sex offender Epstein case?

By Jane Musgrave - Palm Beach Post Staff Writer

Wealthy Palm Beacher Jeffrey Epstein in Palm Beach County Circuit Court in 2008 to plead guilty to criminal charges
him sexual massages. (Uma Sanghvi/The Palm Beach Post)

Updated: 3:43 p.m. Friday, May 12, 2017 | Posted: 2:45 p.m. Friday, May 12, 2017

PALM BEACH — President Donald Trump is a shadowy, but ever-present, figure in the never-ending saga of billionaire sex offender Jeffrey Epstein.

Mar-a-Lago, the commander-in-chief's private-club-turned-southern-White-House in Palm Beach, was the backdrop for Epstein's introduction to one of his dozens of teenage victims, according to court records.

In a short-lived lawsuit that Trump decried as “categorically false,” a California woman last year sued Trump and Epstein in federal court in New York City, claiming the two business tycoons raped her when she was 13 years old.

And Trump is on a star-studded witness list for an upcoming trial in Palm Beach County Circuit Court that attorney Jack Scarola promises will be the first public airing of Epstein's lurid lifestyle.

But, Scarola acknowledges, it is unlikely the president will be part of what Scarola promises will be a salacious trial. Scarola claims Epstein sued attorney Brad Edwards in an effort to intimidate and punish the lawyer for representing some of Epstein's victims. While Epstein dropped his lawsuit against Edwards, who has also represented clients in a lawsuit against Trump, the malicious prosecution suit against Epstein will likely go to trial in the fall, Scarola said.

When Scarola put Trump on the witness list in August, he said he never imagined the business scion and former television star would soon occupy the Oval Office. The legal battle he would have to launch to get a sitting president to testify simply isn't worth it, Scarola said.

Moreover, while there is a lot of smoke around Trump's relationship with Epstein, there appears to be little fire, so far, Scarola said.

“Based on all available public records, Trump's involvement is peripheral,” he said.

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While Trump has recently distanced himself from Epstein, a 64-year-old financier, it wasn't always that way.

"I've known Jeff for fifteen years. Terrific guy," Trump said of Epstein during a 2002 interview with New York magazine. "He's a lot of fun to be with. It is even said that he likes beautiful women as much as I do, and many of them are on the younger side."

Attorney Spencer Kuvin, one of dozens of lawyers who successfully sued Epstein on behalf of roughly 30 women who claimed he lured them to his Palm Beach mansion for sexually-charged massages when they were as young as 14, said he always found the comment curious.

"How would he know that?" he said of Trump's acknowledgement of Epstein's penchant for young women. The interview came nearly six years before Epstein's secret sex life exploded into public view when the money manager pleaded guilty to Florida charges of procuring and soliciting a minor for prostitution. "Why would he make a joke like that?" the West Palm Beach attorney asked.

Further, Kuvin and others say they can't believe it is purely coincidental that former South Florida U.S. Attorney Alex Acosta, who signed off on a non-prosecution agreement that kept Epstein from spending years behind bars, was tapped by Trump to be U.S. Labor Secretary.

During his confirmation hearings in March, Acosta said it was "awful" that convicted sex offender Epstein was allowed to leave the Palm Beach County Jail to work during his 13-month jail sentence. But he insisted that without the involvement of his office, Epstein would have received far less punishment and his victims wouldn't have recovered any money from him. As a result of the conviction, Epstein also is on Florida's registered sex offender list.

Scarola, who has represented several of Epstein's victims in civil lawsuits, scoffed at Acosta's claims. The evidence that Epstein sexually abused young girls was "overwhelming," he said.

The answer to the many questions that still swirl around Epstein and his high-placed friends are the subject of roughly a half-dozen lawsuits that are still pending in both Palm Beach County and New York. Some of the nation's top attorneys have represented Epstein and some of his victims.

But like many of the past lawsuits spawned by Epstein's behavior, most of the remaining ones are expected to be settled. And even public court records don't tell the full story — because many documents have been sealed or are heavily redacted.

For example, a defamation lawsuit against one of Epstein's close friends was scheduled to go to trial in U.S. District Court in New York this coming Monday. But both sides agreed to a delay last week, often a signal that a settlement could be in the works.

The suit was filed by Virginia Roberts Giuffre against British-born socialite and longtime Epstein friend Ghislaine Maxwell. In a 2009 lawsuit that Epstein settled for an undisclosed amount, Giuffre claimed she was 15 when Maxwell recruited her from her $9-an-hour job in the locker room at Mar-a-Lago, where her father had a job as a maintenance worker. Giuffre claims in court records that Maxwell introduced her to Epstein and that Epstein turned her into his international sex slave.

Maxwell wasn't sued as part of the lawsuit Giuffre filed against Epstein. But, in court papers filed by Giuffre, Maxwell was accused of grooming Giuffre to be Epstein's sexual toy.

Maxwell ignored the allegations until Giuffre raised them again in December 2014 and Maxwell began publicly disputing Giuffe's claims. Famed attorney David Boies then filed a defamation lawsuit on Giuffre's behalf, claiming Maxwell "undertook a concerted and malicious campaign to discredit Giuffre." In media interviews, Maxwell called Giuffre's claims "obvious lies," Boies wrote.

The trial promised to provide scurrilous details about Giuffre's widely publicized contention in court records that Epstein not only used her but loaned her to his rich and powerful friends, including such notables as Prince Andrew and former President Bill Clinton. Similar claims against nationally-known attorney Alan Dershowitz, who represents Epstein, were withdrawn when the Harvard law professor and Giuffre's attorneys reached a confidential settlement in dueling defamation lawsuits they filed against each other over the allegations.

Flight logs from Epstein's private jet show Clinton was a frequent flyer, taking Secret Service agents along with him on trips with Epstein around the globe. Clinton has publicly ignored Giuffre's allegations but an independent investigation launched by Dershowitz raised questions about their veracity.

One of Epstein's longtime servants testified that Prince Andrew was a regular guest at Epstein's house and received massages during the visits. But house manager Juan Alessi acknowledged in a sworn deposition that older women and men offered Swedish massages to Epstein's guest. It is unclear who gave the British prince the massages or what was included. The prince has vehemently denied Giuffre's allegations.

Alessi also testified that Trump visited Epstein's home when both were in Palm Beach. "He would come, have dinner. He never sat at the table," said Alessi, who described himself as Epstein's majordomo. "He eat with me in the kitchen."

But, Alessi said, unlike other visitors, Trump didn't avail himself of massages. "No," he said. "Because he's got his own spa."

While Giuffre's defamation lawsuit appears headed for what will likely be a confidential settlement, Scarola said his case against Epstein is going to trial even though Trump won't be called as a witness.

"We can prove our case without Donald Trump's testimony," he said of malicious prosecution lawsuit he filed against Epstein for suing Edwards, the attorney who has represented Giuffre and several of Epstein's other victims.

Edwards has also been leading a separate charge to prove Acosta's office violated the federal Crime Victims' Rights Act when it signed off on the non-prosecution agreement without notifying the women. That suit, which has stalled in federal court after many of the documents were sealed, could eventually reveal why Epstein got what many call a "sweetheart deal," Scarola said.

Edwards also represented 65 members of Trump National Golf Club Jupiter, who won $5.8 million in February when a federal judge ruled that Trump improperly kept their deposits when he took over the club on Donald Ross Road in Jupiter in 2012. Trump is appealing the decision.

From: Darren Indyke [[redacted]]
Sent: 5/26/2016 3:18:43 PM
To: Jeffrey Epstein [jeevacation@gmail.com]
Subject: Fwd: Maxwell ([redacted]
Attachments: IMAGE.jpg; IMAGE.jpg; IMAGE.jpg

Importance: High

Privileged - Redacted

DARREN K. INDYKE
DARREN K. INDYKE, PLLC
575 Lexington Avenue, 4th Floor
New York, New York 10022
Telephone: [redacted]
Telecopier: [redacted]
Mobile: [redacted]
email: [redacted]

****

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Begin forwarded message:

From: "Miles Alexander" <[redacted]>
Subject: **Fwd: Re: Maxwell ([redacted])**
Date: May 24, 2016 at 11:35:17 AM EDT
To: <[redacted]>

Hi
Answer to questions asked.
No response received
Regards

Miles Alexander
Operations Manager

Michaelhouse Pvt Bag X1 Balgowan KwaZulu-Natal 3275 South Africa
Telephone [redacted] Facsimile [redacted] www.michaelhouse.org
>>> Miles Alexander<[redacted] 2016-05-18 05:56 PM >>>
Hi
Cathy and I have discussed your questions. At this stage we do not feel it is beneficial and may negatively impact our privacy to answer the questions.
Please respect our request not to assist.
Regards

Sent from my iPhone

On 18 May 2016, at 16:01, Brad Edwards <[redacted]> wrote:

Thank you for your response. My initial questions are fairly general I believe.

Was Former Pres Clinton ever a guest on the island?
Was George Mitchell a guest?
Would any of the guests get massages from the girls brought by Mr. Epstein or Ms. Maxwell?
Do you remember [redacted]?
What was her interaction with Ms. Maxwell?
How many massages would Mr. Epstein get per day? I understand that the massages happened in a location where, based on the article I read, Ghislaine instructed you to never go while in use. But I am curious knowing - were the massages done by the various young girls brought to the island? Did they appear to be massage therapists? I think I know that answer based again on the previous article I read.

Were you aware of Ghislaine flying a helicopter? Flying girls to the island? Flying guests to the island?
What did you understand Ghislaine's role to be? How did she describe herself or act while there? If she was the "queen bee" girlfriend, then what was her explanation of the presence of the other younger girls? And what interaction did Ghislaine have with those girls? It is our understanding that one of her primarily "jobs" was to find the girls to bring to Mr. Epstein but we do not yet have a firm understand where she found them or what interaction she personally had with each of them while on the island. I was hoping you could provide some clarity based on things you heard or observations you made.

Again, thank you for any clarification you can provide. I am interested in the facts, including any inaccuracies that have been reported in the past which may have given us a misunderstanding of anything.

Sincerely,

Brad

Sent from my iPhone

On May 18, 2016, at 4:05 AM, Miles Alexander <[redacted]> wrote:

Greetings
Thank you for your letter and sentiments contained there in.
Cathy and I have read a number of articles that have appeared in the press over the past few years. In the cases where statements are credited to [redacted] I can honestly say that we cannot agree to the statements made and therefore do not see what further info you need. For example, the notion that we served or witnessed the stated alleged acts or parties are untrue.
If you wish to take this further, please supply a list of questions you think are pertinent and we will then decide if any need answering .
Regards

Miles Alexander
Operations Manager

Michaelhouse Pvt Bag X1 Balgowan KwaZulu-Natal 3275 South Africa
Telephone[redacted] Facsimile [redacted] www.michaelhouse.org

>>> Brad Edwards <[redacted]> 2016-05-17 07:42 PM >>>
Dear Miles and Kathy Alexander,

I, along with several other attorneys, represent[redacted] She needs your help and we are hoping for your assistance. She doesn't need much. In fact, all she needs are some good, honest people who are willing to just tell the truth. That seems like a simple request that any compassionate person would accommodate; however, for some reason many people have instead decided to stay out of it and allow [redacted] to continue to suffer. A small number of good people have stood up for what is right and told the truth. We do not currently know where you stand but we know that you have helpful information and are hopeful that you will cooperate in sharing that information with us.

I have investigated various related aspects of this unfortunate story for 8 years now. [redacted]is one of numerous clients I have represented in related matters. And[redacted]only wants one thing - for the truth to be known and for her story to protect others. She was a teenager when she was recruited to travel with Ghislaine Maxwell and Jeffrey Epstein. After 2 years she escaped that life and lived in [redacted], hoping to forget what she had been through. After Mr. Epstein was arrested for doing similar things to other girls that he had done to her, [redacted]decided to speak out about what really had transpired while traveling with Maxwell and Epstein, including events that occurred on Little St. James.

She remembers you and your wife fondly. We read the interview you gave a few years back. There can be no doubt that we absolutely appreciate the probably unwanted media attention that your previous interview drew. We are not at all looking for a second round of that. We are not the media. We do not need any public interview. We are not concerned with anything other than the facts, from your own observations or what you heard while working on the island. We just want to speak with you.

[redacted]came back to the United States to help others similarly victimized. Specifically, she started a non-profit charity to help sex abuse victims. She very bravely told her story with the goal of starting a new life helping others. Unfortunately, Ms. Maxwell told the world that[redacted]was lying, which has thus far had the impact of destroying[redacted]'s charity. We are in litigation with Ms. Maxwell where we have to prove something that should be very simple - that[redacted] is in fact telling the truth in her story of being recruited by Ms. Maxwell to travel and "work" for Mr. Epstein. We know she is being truthful. We also know that there are numerous witnesses who also know she is. But many of the witnesses still work for Mr. Epstein or cannot be located.

[redacted]- as well as any others similarly situated - deserves the truth. And that is all we are trying to capture for her. We promise not to let anyone in the media know we are talking to you. We are not looking to drag you into anything. We are not looking for anything at all more than the truth, and Virginia has told us that of all the people who worked for Mr. Epstein you were the most likely to help.

I hope this email finds you well. I apologize for emailing you at an address that appears to be a work address. It is all I had. If there is a time when you would be so kind as to talk with me, I would be most grateful. You can email me. Call me. Set up a time for me to call you. Whatever is most convenient for you. Thank you for anything you are able to do.

Sincerely,

<IMAGE.>
Brad Edwards
Board Certified Trial Attorney
425 North Andrews Avenue, Suite 2
Fort Lauderdale, Florida 33301
[redacted]
<IMAGE.>

<IMAGE.jpg> <IMAGE.jpg> <IMAGE.jpg>

This email message is subject to the Michaelhouse Email disclaimer which can be viewed at
http://www.michaelhouse.org/email_Disclaimer.aspx

This email message is subject to the Michaelhouse Email disclaimer which can be viewed at
http://www.michaelhouse.org/email_Disclaimer.aspx

From: Scott J. Link[redacted]
Sent: 11/28/2018 11:50:16 PM
To: E. jeffrey [jeevacation@gmail.com]
CC: [redacted]
Subject: Fwd: Press Inquiry: Miami Herald expose and protective order

Importance: High

Scott J. Link
Board Certified Business Litigation

LINK & ROCKENBACH, PA
1555 Palm Beach Lakes Blvd., Suite 930
West Palm Beach, FL 33401
office [redacted]| fax [redacted]
| Email:[redacted]

This e-mail may contain privileged or confidential information. If it is not meant for you, please delete it and notify us immediately. Please confirm receipt of time sensitive communications because email deliveries may be delayed or unsuccessful. We do not provide tax advice. Our communications may not be relied upon to avoid penalties that may be imposed by the Internal Revenue Service.

Begin forwarded message:

From: CNS Adam Klasfeld [redacted]
Date: November 28, 2018 at 6:34:54 PM EST
To: '[redacted] [redacted]
Subject: Press Inquiry: Miami Herald expose and protective order

Dear Mr. Link:

A transcript made public today show how Ghislaine Maxwell's legal team fought for and ultimately won a broad protective order in the lawsuit filed by accuser Sarah Ransome against your client Jeffrey Epstein. It also shows the Maxwell legal team's concern about the media coverage, especially from the Miami Herald, weeks before it published today's bombshell investigation today.

My questions are:

What is your response to the Miami Herald story published today?

How would you respond to the series' allegations that there has been a more than decade-long cover-up of Epstein and his powerful associates, including by Trump's current secretary of labor Alexander Acosta?

Please reply ASAP as I am on deadline.

Thank you,

Adam Klasfeld

Reporter, Courthouse News
[redacted] (cell/Signal)
[redacted]

PGP Fingerprint for personal email: F427 EE3B 6F05 E5D5 785B 775B 2C74 683C 219D 91DC

Twitter: @KlasfeldReports Skype: [redacted]
www.adamklasfeld.com

Alan Dershowitz suggests curbing press access to hearing on Jeffrey Epstein sex abuse

By JULIE K. BROWN
Miami Herald

File photo by GETTY IMAGES

Alan Dershowitz wants to keep the public, and news media, out of a hearing in New York this week in which a judge is being asked to unseal sensitive documents involving Jeffrey Epstein and the alleged sex trafficking of underage girls.

MIAMI — A court hearing on whether to unseal sensitive documents involving the alleged sex trafficking of underage girls by Palm Beach multimillionaire Jeffrey Epstein — and the possible involvement of his influential friends — will play out in a New York City courtroom this week.

But it may happen behind closed doors, with the news media and public barred — at least in part.

An attorney for lawyer Alan Dershowitz wrote a letter to the U.S. District Court Second Circuit of Appeals on Tuesday, asking whether the media should be excluded from the proceeding because his oral arguments on behalf of his client could contain sensitive information that has been under seal.

The appeals court has not responded to his concern as of Friday, but if the hearing is closed during his lawyer's argument, it would represent the latest in a long history of successful efforts to keep details of Epstein's sex crimes sealed.

Dershowitz, a professor emeritus at Harvard, constitutional law expert and criminal defense attorney, represented Epstein, who in 2008 received what many consider an unusually light sentence for sexually abusing dozens of girls at his Palm Beach mansion. Two women — one of whom was underage — have said Epstein and his partner, British socialite and environmentalist Ghislaine Maxwell, directed them to have sex with Dershowitz, 80, and other wealthy, powerful men. Dershowitz and Maxwell have denied the claims.

Oral arguments are scheduled Wednesday to hear an appeal by the Miami Herald and other parties seeking to unseal a 2015 court case involving Epstein and Maxwell. The Herald, as part of an ongoing investigation into Epstein's case, hopes to shed more light on the scope of Epstein's crimes, who else might have been involved and whether there was any undue influence that tainted the criminal justice process.

A legal brief supporting the Herald's appeal was filed in December by the Reporters Committee for Freedom of the Press and 32 other media companies, including The New York Times, The Washington Post, Dow Jones, Fox News, Gannett, Politico, Reveal Center for Investigative Reporting and Tribune Publishing Co.

The case — which was settled in 2017 — involved Virginia Roberts Giuffre, who sued Maxwell in federal court in the Southern District of New York in 2015. Giuffre has asserted that Maxwell and Epstein trafficked her and other underage girls, often at sex parties that Epstein hosted at his homes in New York, New Mexico, Palm Beach and the Virgin Islands.

The case — which was settled in 2017 — involved Virginia Roberts Giuffre, who sued Ghislaine Maxwell in federal court in the Southern District of New York in 2015. Giuffre has asserted that Maxwell and Epstein trafficked her and other underage girls, often at sex parties that Epstein hosted at his homes in New York, New Mexico, Palm Beach and the Virgin Islands.

Maxwell called Giuffre a liar, resulting in Giuffre suing for defamation.

As the case was litigated, the judge allowed a vast trove of documents, including testimony by witnesses, to be sealed. Dershowitz, having been publicly implicated in Epstein's crimes by Giuffre, tried unsuccessfully to get the judge to unseal a select number of documents that he says will exonerate him. Blogger Michael Cernovich also filed a motion to release a portion of the sealed documents.

The judge denied their motions in 2016, as the case was still ongoing, saying that release of the documents could taint a potential jury pool.

After the case was settled, the Herald filed a more extensive motion, arguing that with the case now closed, all the documents in the case should be made public. The motion, filed in April 2018, came as the Herald was working on an investigative series, Perversion of Justice, which detailed how Epstein and his lawyers manipulated federal prosecutors to obtain one of the most lenient sentences for someone who sexually abused children in history.

Dershowitz's lawyer, Andrew G. Celli Jr., emphasized to the Herald that Dershowitz is not trying to ban the media from the proceeding; he is simply giving the court a heads-up that his arguments could include information that has never been made public because it is under seal.

"What the letter says very clearly is we intend to make reference to the sealed material in open court, so we want to notify the judges that this is my intention to make my arguments," Celli said. "We want the courtroom to be open so long as we can argue the substance of what we want to unseal."

Barbara Petersen, executive director of the First Amendment Foundation, pointed out that since the judges are well aware that sealed documents are at the heart of the appeal, Dershowitz's request comes across more as a "veiled threat."

"It's like 'if you don't keep out the media, then we are going reveal stuff and let the chips fall where they may,' she said. "They don't want it to come out and they don't want to make a motion and ban the media, so they are hoping the judges do it for them."

Attorneys for Giuffre want the case unsealed.

"Ms. Giuffre is a victim of Jeffrey Epstein's sex trafficking organization," her attorney, Paul Cassell, said in a statement attached to the Herald's appeal. "When she bravely came forward to explain what happened to her at the hands of Epstein and his powerful friends, Epstein's 'Madame' and girlfriend, Ghislaine Maxwell, told the world that Ms. Giuffre was a liar. Ms. Giuffre filed a defamation action."

The case was settled in Giuffre's favor, with Maxwell paying Giuffre millions.

Maxwell wants the case to remain sealed and earlier tried to get the judge to destroy the sealed documents, but her motion was denied.

Epstein's deal, brokered by then-Miami U.S. Attorney Alexander Acosta, allowed Epstein to plead guilty to two prostitution charges in state court, and in exchange, Epstein and an untold number of others were given federal immunity. Epstein served just 13 months in the county jail, although much of his incarceration was spent at his office in downtown west Palm Beach on "work release."

Last week, a federal judge ruled that Acosta, now President Donald Trump's secretary of labor, violated the law because he and other prosecutors deliberately kept the deal secret from Epstein's victims, who are now in their late 20s and early 30s.

Cernovich's lawyer, Marc J. Randazza, said he has never seen a court seal nearly an entire court record like this.

"I've seen partial seals, but I've never seen anything where it went quite that far. That in of itself is newsworthy," he said. "What kind of power here is able to influence our court system in such a big way? Something is amiss and I'm glad that journalists are out there looking at it."

PERVERSION

CONTINUED FROM PAGE 13

was taken of the two of them strolling in Manhattan. It was later revealed that Epstein had loaned the prince's ex-wife, Sarah Ferguson, $24,000 to pay off some debts. Ferguson later called the loan a "gigantic error of judgment."

Changing the law

Crime victims' rights advocates have used the Epstein case to strengthen the federal law in recent years, adding more precise language mandating that prosecutors notify victims about plea bargains and allow victims to be heard at sentencing.

Because some statute-of-limitation laws set deadlines for filing civil and criminal sex crime cases, it's difficult to bring them years later, said Marci Hamilton, a University of Pennsylvania professor who is working to ease those restrictions across the country.

But she points out that there has been no statute of limitations for federal sex crimes involving children since 2002.

Children who are sexually abused often take decades to reveal what happened to them, in part because their brains aren't wired at a young age to understand the trauma they've experienced, said Kenneth V. Lanning, a retired FBI agent who investigated and studied child sex crimes for 40 years.

"We want to hold children to some superhuman standard because they behave this way. In reality, police, prosecutors and judges have to understand that children are not all angels from heaven. They are just plain human beings who are emotionally immature so we have to protect them from their own decisions."

"Really if you think about this too hard, it's scary because this is our government that is supposed to protect us but has done everything to protect a pedophile," she said.

From: Darren Indyke [redacted]
Sent: 5/10/2019 11:06:29 PM
To: jeevacation@gmail.com; Martin Weinberg [redacted]
CC: Darren Indyke [redacted]
Subject: Privileged and Confidential - Timeline of the Jeffrey Epstein sex abuse case | Miami Herald
Attachments: AP_17069588640137.jpg; epstein-logo-black.png; Home 05 Epstein EKM (1).jpg; BarryKrischer.pdf.gif; IMG_Editorialpic_4_1_MPAMVONA_L295524803.JPG; Marriott 01 Epstein EKM.jpg; 246ECDE700000578-2897939-image-a-57_1420497542266.jpg; Virgina Roberts 01 Epstein EKM.jpg; Brad Edwards 02 Epstein EKM.jpg; epstein_pt2.jpg; interactive-lead-image.png; AP_17069588640137.jpg

Importance: High

Privileged - Redacted

Timeline of the Jeffrey Epstein sex abuse case | Miami Herald

Nov. 28, 2018

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Jeffrey Epstein is flanked by his legal team during a court hearing in the summer of 2008. Uma Sanghvi *Palm Beach Post via AP*

For years, Jeffrey Epstein abused teen girls, police say. A timeline of his case

PERVERSION of JUSTICE

A decade before #MeToo, a multimillionaire sex offender from Florida got the ultimate break.

2005

March: A 14-year-old girl and her parents report that Jeffrey Epstein molested her at a mansion in Palm Beach. She said a female acquaintance and classmate at Royal Palm Beach High School had taken her to the house to give him a massage in exchange for money.

EL BRILLO WAY

Jeffrey Epstein repeatedly engaged in sexual activity with underage girls at his waterfront Palm Beach home on El Brillo Way, according to police in the Town of Palm Beach. Epstein also owns residences in New York City and the U.S. Virgin Islands, among other locales. Emily Michot *emichot@miamiherald.com*

April: Palm Beach police begin trash pulls at Epstein's home, discovering a telephone message for Epstein with the girl's name on it, and a time that matched the time that she told police she was there. They find the names and phone numbers of other girls on message slips in his trash.

October: With the police probe in full swing, one of Epstein's assistants calls one of the girls just as she is being questioned by police. Investigators begin interviewing more girls, as well as Epstein's butlers, who tell them that Epstein had frequent visits from girls throughout the day. On Oct. 20, they execute a search warrant at his house on El Brillo Way in Palm Beach.

2006

May: Police sign a probable cause affidavit charging Epstein and two of his assistants with multiple counts of unlawful sex acts with a minor. The Palm Beach state attorney, Barry Krischer, instead refers the case to a grand jury.

Town of

Palm Beach police were unhappy with the handling of the Epstein case by then-State Attorney Barry Krischer.

June: The grand jury, after hearing from only one girl, returns an indictment of one count of solicitation of prostitution. The charge does not reflect that the victim in question and others were minors.

July: Epstein's powerhouse legal team tries to negotiate a deal with the State Attorney's Office. Lawyers discuss a deferred prosecution in which Epstein would enter a pretrial intervention program and serve no jail time.

July: After pressure from the Palm Beach police chief, the FBI opens a federal investigation, dubbed "Operation Leap Year." Documents list the possible crime as "child prostitution."

November: The FBI begins interviewing potential witnesses and victims from Florida, New York and New Mexico.

2007

May: As the U.S. Attorney's Office prepares to present the case to a federal grand jury, Epstein's attorneys request a meeting to discuss the investigation.

June: A 53-page indictment is prepared by the U.S. Attorney's Office as, simultaneously, plea negotiations are initiated with Epstein's legal team.

July: Grand jury subpoenas are issued for Epstein's computers, which were apparently removed from his Palm Beach home prior to the police search.

August: The U.S. attorney in Miami, Alexander Acosta, enters into direct discussions about the plea agreement; a motion to compel production of Epstein's computers is delayed.

September: Federal prosecutors draw up several federal plea agreements that are rejected by Epstein and his attorneys. Epstein signs a non-prosecution agreement on Sept. 24, but his attorneys continue to delay his court appearance.

Alexander Acosta has been criticized for his handling of the Jeffrey Epstein case as U.S. attorney. He later became the dean of Florida International University's law school and, later still, President Trump's secretary of labor. *Miami Herald file photo*

October: With the non-prosecution agreement still being debated, Acosta meets with Epstein lawyer Jay Lefkowitz at the West Palm Beach Marriott on Okeechobee Road to discuss finalizing a deal. Among the terms agreed upon: that the victims would not be notified, that the deal would be kept under seal and all grand jury subpoenas would be canceled.

1001
Marriott
HOTEL REGISTRATION
CONFERENCE CENTER
DO NOT ENTER

The Marriott hotel in West Palm Beach, at 1001 Okeechobee Blvd., is where U.S. Attorney Alexander Acosta met with Jeffrey Epstein's attorney to work out a plea arrangement. Emily Michot *emichot@miamiherald.com*

November: Epstein's lawyers object to an addendum to the agreement. The provision called for a special master to appoint an attorney to represent Epstein victims' rights to civil compensation.

December: The two sides continue to debate the addendum. Epstein attorney Kenneth Starr asks for a review of the agreement by the U.S. Department of Justice in Washington, further delaying its execution. Victims are told the investigation is continuing.

2008

January: Epstein attorney, Lefkowitz, calls Acosta, telling him his client will not go through with the agreement because it requires him to register as a sex offender.

February: With the plea negotiations and the Justice Department review still in limbo, the FBI continues its probe, locating more witnesses and evidence.

March: Preparations are made for a new federal grand jury presentation. In court documents, the U.S. Attorney's Office notes that Epstein's victims are being harassed by his lawyers, who are not specifically named.

May: The Justice Department issues finding that, if a plea deal is not reached, Epstein can be federally prosecuted.

Palm Beach multimillionaire Jeffrey Epstein is a free man, despite sexually abusing dozens of underage girls according to police and prosecutors. His victims have never had a voice, until now.

June: Epstein's lawyers revisit plea negotiations, and on June 30, Epstein appears in a Palm Beach County courtroom. He pleads guilty to state charges: one count of solicitation of prostitution and one count of solicitation of prostitution with a minor under the age of 18. He is sentenced to 18 months in jail, followed by a year of community control or house arrest. He is adjudicated as a convicted sex offender who must register twice a year in Florida.

July: Epstein's victims learn about his plea in state court after the fact. They file an emergency petition to force federal prosecutors to comply with the federal Crime Victims' Rights Act, which mandates certain rights for crime victims, including the right to be informed about plea agreements and the right to appear at sentencing.

August: Epstein's victims learn that he has already been sent to jail, and that the federal investigation is over. They seek to have his plea agreement unsealed, but federal prosecutors argue against releasing the agreement, commencing a yearlong court battle to learn the terms of Epstein's plea bargain.

October: Epstein begins work release from the county stockade. He is picked up by his private driver six days a week and transported to an office in West Palm Beach, where he accepts visitors for up to 12 hours a day. He returns to the stockade in the evenings to sleep.

Support investigative journalism

The Miami Herald obtained thousands of FBI and court records, lawsuits, and witness depositions, and went to federal court in New York to access sealed documents in the reporting of "Perversion of Justice." The Herald also tracked down more than 60 women who said they were victims, some of whom had never spoken of the abuse before.

Your digital subscription, starting at $0.99 for the first month, supports investigative journalism like this.

2009

July: Epstein is released from the Palm Beach County stockade, five months early. He must register as a sex offender and is on probation for a year, confined to his Palm Beach home except to travel to his office in West Palm Beach. However, records show he frequently makes trips to Manhattan and to his home in the U.S. Virgin Islands.

August: Palm Beach Police Capt. George Frick finds Epstein walking along A1A in the middle of the afternoon, when he was supposed to be at work in his office in downtown West Palm Beach. Epstein says he is walking to work, even though the location where he is found is not a direct route to his office. His probation officer says Epstein has permission to get some exercise.

September: The federal non-prosecution agreement is made public. By September, at least a dozen civil lawsuits have been filed by women who allege they were molested by Epstein when they were underage. Epstein begins the process of settling them out of court.

Jeffrey Epstein never went to federal prison but his butler/houseman, Alfredo Rodriguez, did, for obstruction of justice. He was busted for hiding Epstein's journal and trying to sell it. He has since died. © *Facebook*

November: One of Epstein's former butlers tries to sell to an undercover FBI agent a black book filled with the names of hundreds of girls and young women that Epstein allegedly procured for sex and massages. The butler tells FBI agents he witnessed nude underage girls at Epstein's pool and had known that the millionaire was having sex with them. He also said he saw pornography involving underage girls on Epstein's computers. The butler/houseman, Alfredo Rodriguez, is later charged with obstruction of justice and sentenced to federal prison. He dies in 2015. The contents of the black book become public as part of several civil lawsuits.

2010

April: Flight logs obtained as part of civil lawsuits against Epstein show an assortment of politicians, academics, celebrities, heads of state and world leaders flying on Epstein's jets in the early 2000s. Among them: former President Bill Clinton, former national security adviser Sandy Berger, former Colombian President Andrés Pastrana and lawyer Alan Dershowitz.

2011

March: Two of Epstein's victims file a motion in federal court accusing the government of violating their rights by failing to notify them about the plea deal and keeping it secret. Among other things, they want the plea deal invalidated in the hopes of sending Epstein to prison. They accuse federal prosecutors of deceiving them with "false notification letters."

September: U.S. District Judge Kenneth Marra rejects the U.S. Attorney's Office argument that it was under no obligation to notify victims prior to striking a non-prosecution agreement with Epstein because there were no federal charges filed against him. The decision marks a victory for Epstein's victims, but the case will drag on for seven more years.

November: Epstein must register in New York as the highest and most dangerous level of sex offender, despite efforts by him and the New York District Attorney's office to lower the classification. A Level 3 status means "high risk of repeat offense and a threat to public safety exists," according to the state's guidelines.

2012

March-December: Calling himself a "celebrated philanthropist" and a "renowned educational investor," Epstein undertakes a public relations campaign to counter bad press about his sexual exploits. His foundation donates millions to scientific research and sponsors global conferences on ways to achieve world peace and save the planet. He funds cancer and educational research projects around the country.

2015

Virginia Roberts was working at Mar-a-Lago when she was recruited to be a masseuse to Palm Beach hedge fund manager Jeffrey Epstein. She was lured into a life of depravity and sexual abuse.

January: Virginia Roberts files court papers in Florida claiming that she was forced by Epstein to have sex with Prince Andrew and lawyer Alan Dershowitz when she was underage. In a sworn affidavit, she provides photographs of her with the prince and with Epstein's close associate, British socialite Ghislaine Maxwell. She claims Maxwell worked as Epstein's madam, which she denies. Dershowitz and the prince deny her claims as well, setting off a series of legal actions between Dershowitz and Roberts' attorneys that are later resolved in an out-of-court settlement.

April: A federal judge rules that Roberts cannot join the federal Crime Victims' Rights Act lawsuit and that her affidavit — accusing Prince Andrew and Dershowitz of having sex with her when she was underage — be stricken from the case. Dershowitz said the ruling meant he was vindicated. However, the judge does not address the veracity of Roberts' claims, writing: "The factual details regarding with whom and where the Jane Does engaged in sexual activities are immaterial and impertinent to this central claim."

September: Roberts sues Maxwell in federal court in New York, claiming that Epstein's alleged madam defamed her in public statements in the media. The lawsuit is widely viewed as a vessel for Epstein's victims to expose the scope of Epstein's crimes. Several civil lawsuits filed the same year allege that Epstein and Maxwell operated an international sex trafficking operation.

Virginia Roberts holds a photo of herself at 16, her age when she met Jeffrey Epstein. Her life had already been marred by sexual abuse even before she met the multimillionaire. Emily Michot *emichot@miamiherald.com*

2016

June: A lawsuit is filed in Manhattan by a woman who once used the name Katie Johnson, claiming that she was raped by then-presidential candidate Donald Trump at a party at Epstein's Manhattan mansion in 1994 when she was 13 years old. Trump and Epstein both categorically deny it ever happened.

‘How in the world, do you, the U.S. attorney, engage in a negotiation with a criminal defendant, basically allowing that criminal defendant to write up the agreement?’ said Bradley Edwards, shown here, who is representing some of the victims of serial sex abuser and Palm Beach multimillionaire Jeffrey Epstein. Emily Michot *emichot@miamiherald.com*

November: Johnson backs out of a press conference just days before Election Day, saying she had been threatened and was fearful. She later drops the lawsuit.

2017

February: President Trump nominates former Miami federal prosecutor Acosta as U.S. secretary of labor. Acosta is compelled at his confirmation hearing to briefly address questions about the deal he approved for Epstein. One lawmaker requests more records from the Epstein case. Acosta is confirmed.

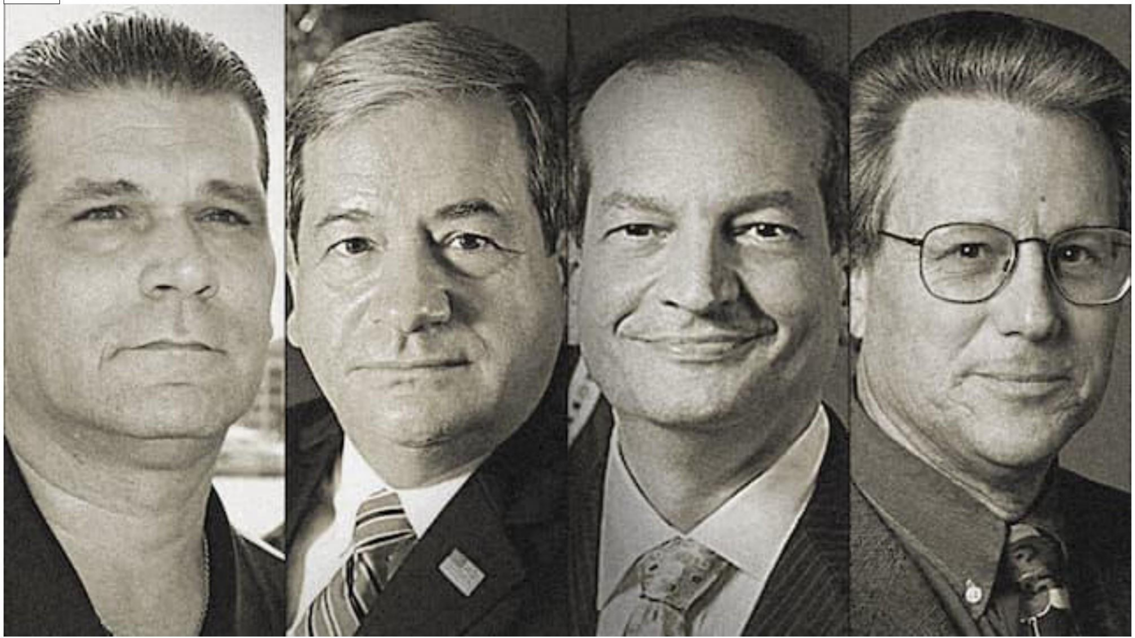
June: Roberts settles her lawsuit with Maxwell for an undisclosed sum.

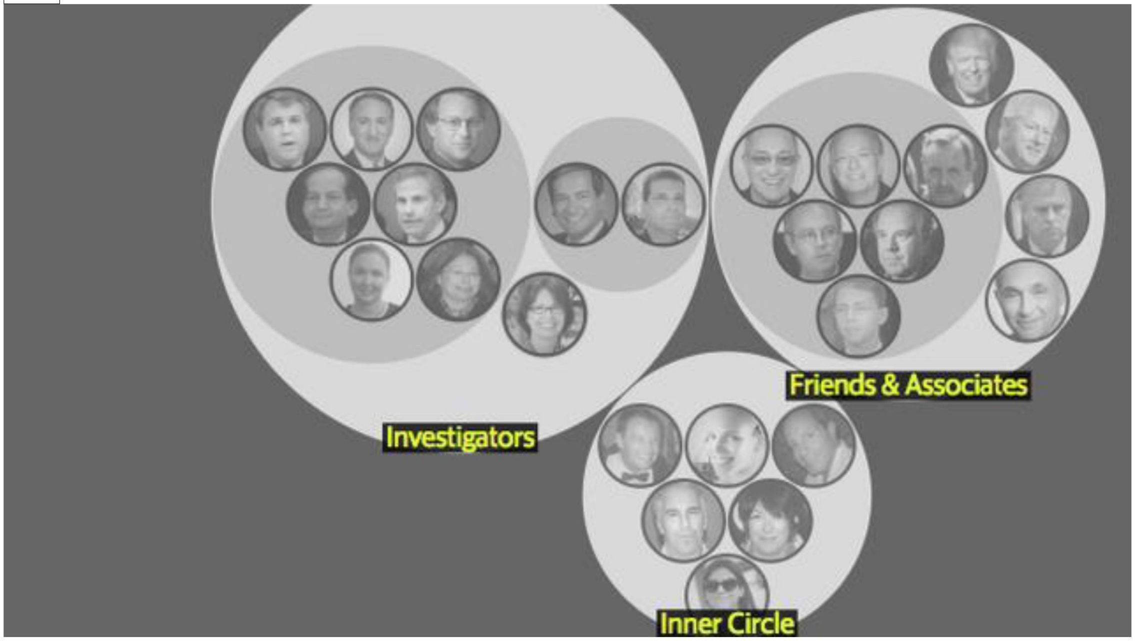
2018

December: Civil trial is scheduled in Palm Beach County Court on Bradley Edwards’ allegations that Epstein sued him to punish him for representing several of his victims. The malicious-prosecution lawsuit is set to begin Dec. 4. Epstein has indicated he will not appear in court for trial.

The girls who were abused by Jeffrey Epstein and the cops who championed their cause remain angry over what they regard as a gross injustice, while Epstein's employees and those who engineered his non-prosecution agreement have prospered.

More from the series

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Interaction Designer: Aaron Albright
Video production: Marta Oliver Craviotto, Emily Michot, Julie K. Brown
Copy Editor: Mary Behne
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Drone Footage: Pedro Portal
Director of Design: Jessica Gilbert
Senior Manager of Design: Eddie Alvarez

DARREN K. INDYKE
5300 W. Atlantic Avenue, Suite 602
Delray Beach, Florida 33484
[redacted]

****
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****

From: Tonja Haddad Coleman [redacted]
Sent: 10/18/2013 10:38:16 PM
To: Darren Indyke [redacted] Jeffrey Epstein [jeevacation@gmail.com]; haddadfm@aol.com
CC: Debbie Fein [redacted]
Subject: Fwd: Request for comment from The Mail on Sunday with noon ET Saturday deadline re Mr Bradley Edwards vs Mr Jeffrey Epstein

Importance: High

Tonja Haddad Coleman, Esq.
Sent from my iPhone

Begin forwarded message:

From: Sharon Churcher [redacted]
Date: October 18, 2013 at 6:32:28 PM EDT
To: [redacted]
Cc: Nick Pyke [redacted]
Subject: Request for comment from The Mail on Sunday with noon ET Saturday deadline re Mr Bradley Edwards vs Mr Jeffrey Epstein

Dear Sirs:

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Mr Edwards claims that Mr Epstein maliciously attempted to intimidate him and his clients into retracting their claims.

[redacted] further has stated to us that she intends to testify that she was flown to London by Mr Epstein and instructed to have sex at age 17 with Prince Andrew. She alleges that she was paid $15k for this encounter.

She claims that on another occasion, Mr Epstein flew two young women to a dinner for the purpose of entertaining President Clinton. She claims she herself was sex trafficked to several other men, whose contact information is contained in an address book of Mr Epstein's filed in court records.

May we have a comment please? Our deadline is 1pm tomorrow (SATURDAY) ET.

Yours sincerely,
Sharon Churcher

The Mail on Sunday (New York office)

Ph: [redacted]

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From: Darren Indyke [redacted]
Sent: 10/18/2013 11:24:22 PM
To: Jeffrey Epstein [jeevacation@gmail.com]
Subject: Fwd: Request for comment from The Mail on Sunday with noon ET Saturday deadline re Mr Bradley Edwards vs Mr Jeffrey Epstein

Importance: High

Privileged - Redacted

Sent from my iPhone

Begin forwarded message:

From: Tonja Haddad Coleman <[redacted]>
Date: October 18, 2013 at 6:38:16 PM EDT
To: Darren Indyke <[redacted]>, Jeffrey Epstein <jeevacation@gmail.com>, "[redacted]" <[redacted]>
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From: Darren Indyke [redacted]
Sent: 10/18/2013 11:25:53 PM
To: Jeffrey Epstein [jeevacation@gmail.com]
Subject: Fwd: Request for comment from The Mail on Sunday with noon ET Saturday deadline re Mr Bradley Edwards vs Mr Jeffrey Epstein

Importance: High

Privileged - Redacted

Sent from my iPhone

Begin forwarded message:

From: Tonja Haddad Coleman <[redacted]>
Date: October 18, 2013 at 6:38:16 PM EDT
To: Darren Indyke <[redacted]>, Jeffrey Epstein <jeevacation@gmail.com>, "[redacted]" <[redacted]>
Cc: Debbie Fein <[redacted]>
Subject: Fwd: Request for comment from The Mail on Sunday with noon ET Saturday deadline re Mr Bradley Edwards vs Mr Jeffrey Epstein

Tonja Haddad Coleman, Esq.
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Date: October 18, 2013 at 6:32:28 PM EDT
To: '[redacted]' <[redacted], "[redacted]" [redacted]
Cc: Nick Pyke <[redacted]>, Liz Hartley <[redacted]>
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The Mail on Sunday (New York office)

Ph: [redacted] or [redacted]

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From: Fred Haddad [redacted]
Sent: 10/19/2013 12:10:27 AM
To: Tonja Haddad Coleman [redacted]
CC: Darren Indyke [redacted] Jeffrey Epstein [jeevacation@gmail.com]; Debbie Fein [redacted]
Subject: Re: Request for comment from The Mail on Sunday with noon ET Saturday deadline re Mr Bradley Edwards vs Mr Jeffrey Epstein

Importance: High

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To: [redacted] <[redacted], "[redacted]"
[redacted]
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The Mail on Sunday (New York office)

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From: Darren Indyke [redacted]
Sent: 10/19/2013 12:27:41 AM
To: Fred Haddad [redacted]
CC: Tonja Haddad Coleman [[redacted]; Jeffrey Epstein [jeevacation@gmail.com]; Debbie Fein [redacted]
Subject: Re: Request for comment from The Mail on Sunday with noon ET Saturday deadline re Mr Bradley Edwards vs Mr Jeffrey Epstein

Importance: High

Privileged - Redacted

Sent from my iPhone

On Oct 18, 2013, at 8:10 PM, Fred Haddad <[redacted]> wrote:

Privileged - Redacted

Sent from my iPhone

On Oct 18, 2013, at 6:38 PM, Tonja Haddad Coleman <[redacted]> wrote:

Tonja Haddad Coleman, Esq.
Sent from my iPhone

Begin forwarded message:

From: Sharon Churcher <[redacted]>
Date: October 18, 2013 at 6:32:28 PM EDT
To: '[redacted]'" [redacted] '[redacted]
<[redacted]>
Cc: Nick Pyke <[redacted]>, Liz Hartley <[redacted]>
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From: Fred Haddad [redacted]
Sent: 10/19/2013 1:36:44 AM
To: Jeffrey Epstein [jeevacation@gmail.com]
Subject: Re: Request for comment from The Mail on Sunday with noon ET Saturday deadline re Mr Bradley Edwards vs Mr Jeffrey Epstein

Importance: High

Privileged - Redacted

Sent from my iPad

On Oct 18, 2013, at 8:30 PM, Jeffrey Epstein <jeevacation@gmail.com> wrote:

Privileged - Redacted

On Fri, Oct 18, 2013 at 8:10 PM, Fred Haddad <[redacted]> wrote:

Privileged - Redacted

Sent from my iPhone

On Oct 18, 2013, at 6:38 PM, Tonja Haddad Coleman <[redacted]> wrote:

Tonja Haddad Coleman, Esq.
Sent from my iPhone

Begin forwarded message:

From: Sharon Churcher <[redacted]>
Date: October 18, 2013 at 6:32:28 PM EDT
To: "[redacted]" <[redacted]>, [redacted]"
<[redacted]>
Cc: Nick Pyke [redacted], Liz Hartley <[redacted]
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Ph [redacted] or [redacted]

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communication in error, please notify us immediately by
return e-mail or by e-mail to jeevacation@gmail.com, and
destroy this communication and all copies thereof,
including all attachments. copyright -all rights reserved

Date: Friday, March 4 2011 04:28 PM
Subject: FW: Ghislaine Maxwell
From: GMAX <gmax1@ellmax.com>
To: J Jep <jeevacation@gmail.com>;

------ Forwarded Message
From: Mark Cohen [redacted]
Date: Fri, 4 Mar 2011 11:14:35 -0500
To: NY Max <gmax1@ellmax.com>
Subject: FW: Ghislaine Maxwell

FYI, following up on my email of this morning. Again, I have no intention of responding unless you direct otherwise.

From: [redacted]
Sent: Friday, March 04, 2011 11:12 AM
To: Brett D. Jaffe
Subject: Ghislaine Maxwell

Dear Brett Jaffe,

I left you a telephone message earlier. The Mail on Sunday newspaper is running a story on Ghislaine Maxwell, Jeffrey Epstein, Prince Andrew and others this weekend.

We urgently require responses from Ms Maxwell to the following questions. Our deadline is noon tomorrow. My telephone numbers are [redacted] or [redacted].

Annette Witheridge
On behalf of the Mail on Sunday

1. [redacted] says Ghislaine Maxwell offered her a job as a masseuse with Jeffrey Epstein when she was aged 15. Ms Maxwell led [redacted] upstairs on her first visit to him at his Palm Beach house. Mr Epstein was naked on massage table.
Ms Maxwell initiated a bisexual encounter during which Ms Maxwell rubbed her own breasts on Mr Epstein and directed [redacted] to copy her.
Please respond to these allegations and all others in the original Jane Doe 102 complaint.

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14. Mr Epstein bought Ms Maxwell the helicopter, homes in New York and London and a Mercedes.

------ End of Forwarded Message

Date: Friday, March 4 2011 04:40 PM
Subject: Re: Fwd: FW: Ghislaine Maxwell
From: The Duke <[redacted]>
To: Jeevacation@gmail.com;

What? I don't know any of this. How are you responding?

From: Jeffrey Epstein <jeevacation@gmail.com>
To: The Duke
Sent: Fri Mar 04 16:31:26 2011
Subject: Fwd: FW: Ghislaine Maxwell

---------- Forwarded message ----------
From: **GMAX** <gmax1@ellmax.com>
Date: Fri, Mar 4, 2011 at 8:28 AM
Subject: FW: Ghislaine Maxwell
To: J Jep <jeevacation@gmail.com>

------ Forwarded Message
From: Mark Cohen <[redacted]>
Date: Fri, 4 Mar 2011 11:14:35 -0500
To: NY Max <gmax1@ellmax.com>
Subject: FW: Ghislaine Maxwell

FYI, following up on my email of this morning. Again, I have no intention of responding unless you direct otherwise.

From: Awitheridg@aol.com [mailto:Awitheridg@aol.com]
Sent: Friday, March 04, 2011 11:12 AM
To: Brett D. Jaffe
Subject: Ghislaine Maxwell

Dear Brett Jaffe,

I left you a telephone message earlier. The Mail on Sunday newspaper is running a story on Ghislaine Maxwell, Jeffrey Epstein, Prince Andrew and others this weekend.

We urgently require responses from Ms Maxwell to the following questions. Our deadline is noon tomorrow. My telephone numbers are [redacted] or [redacted]

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On behalf of the Mail on Sunday

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Date: Friday, March 4 2011 04:48 PM
Subject: Re: Fwd: FW: Ghislaine Maxwell
From: The Duke [redacted]
To: Jeevacation@gmail.com;

Please make sure that every statement or legal letter states clearly that I am NOT involved and that I knew and know NOTHING about any of these allegations.
I can't take any more of this my end.

From: Jeffrey Epstein <jeevacation@gmail.com>
To: The Duke
Sent: Fri Mar 04 16:45:53 2011
Subject: Re: Fwd: FW: Ghislaine Maxwell

just got it two minutes ago.. I ve asked g lawyers to send a letter. Not sure,, it is so salcisous and ridiculous, im not sure how to respond,, the only person she didn't have sex with was Elvis

On Fri, Mar 4, 2011 at 8:40 AM, The Duke [redacted] wrote:

> What? I don't know any of this. How are you responding?
>
> ---
>
> **From**: Jeffrey Epstein <jeevacation@gmail.com>
> **To**: The Duke
> **Sent**: Fri Mar 04 16:31:26 2011
> **Subject**: Fwd: FW: Ghislaine Maxwell
>
> ---------- Forwarded message ----------
> From: **GMAX** <gmax1@ellmax.com>
> Date: Fri, Mar 4, 2011 at 8:28 AM
> Subject: FW: Ghislaine Maxwell
> To: J Jep <jeevacation@gmail.com>
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Date: Friday, March 4 2011 04:56 PM
Subject: Fw: Fwd: FW: Ghislaine Maxwell
From: Gmax <gmax1@ellmax.com>
To: jeevacation@gmail.com;

---- Original Message ----
From: The Duke [redacted]
To: Gmax
Sent: Fri Mar 04 11:46:49 2011
Subject: Fw: Fwd: FW: Ghislaine Maxwell

Hey there! What's all this? I don't know anything about this! You must SAY so please. This has NOTHING to do with me. I can't take any more of this.

From: Jeffrey Epstein <jeevacation@gmail.com>
To: The Duke
Sent: Fri Mar 04 16:31:26 2011
Subject: Fwd: FW: Ghislaine Maxwell

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Date: Friday, March 4 2011 05:20 PM
Subject: Re: Fwd: FW: Ghislaine Maxwell
From: Alan Dershowitz [redacted]
To: Jeffrey Epstein [redacted]

Privileged - Redacted

Sent from my Verizon Wireless BlackBerry

From: Jeffrey Epstein <jeevacation@gmail.com>
Date: Fri, 4 Mar 2011 08:37:01 -0800
To: Alan M. Dershowitz [redacted]
Subject: Fwd: FW: Ghislaine Maxwell

Privileged - Redacted

---------- Forwarded message ----------
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From: J [jeevacation@gmail.com]
Sent: 2/1/2019 10:18:49 AM
To: Michael Wolff [redacted]
Subject: Fwd:

have fun

---------- Forwarded message ---------
From: **J** <jeevacation@gmail.com>
Date: Fri, Feb 1, 2019 at 5:18 AM
Subject:
To: jeffrey epstein <jeevacation@gmail.com>

prostittion is a state crime. never before a man in his own house charged with soliciting. ! in Florida first offenders are required to take a sex ed class and get pre trial diversion. no criminal record. . . there is a felony solication for the THIRD offense. . A grand jury was held and they found me guilty of one count of felony solitciation . because there were many girls. . mandatory diversion. sentence. . !!!!. a grand jury . ususually only for capital murder cases. . Recarey and Reiter (police chief). pulled my garbage for months, and surveilled the house . letting all the gilrs come and go ? ! called in the FBI. they did not like the grand jury result. and released to the press, the raw sewage of police interviews , ie, no girl was cross examined EVER. . Unheard of. . - the girls retunred the house multiplie times. for 200 dollars for a rub and tug. . no sex. . some worked in the locak massage parlors. most in thier mid twenties. . There is only press stories told my strippers of me buying my girlfiedn from slovakia from her parents . girls under 15. . all made up to get press. . FBI / puts a task force together title " operation leap year " to investigate my personal massage activity ?! nuts. interviews my chiropractor ? medical info. . etc.

[redacted] worked at Mara Lago. Trump knew of it. and came to my house many times during that period. The testimony of the houseman John allessi confiremed it. He never got a massage.
abe gosman a friend of mine . ran into financial difficulty with assited living homes. . His home was listed at 45 million dollars. with no takers for months on end . He and I agreed a price of 30m. (His wife [redacted] . ends up going to jail for lying to the bankrupty trustee about her jewelry.) this is in the summer of 04. . I became the stalking horse bidder at 36 m. ie if someone bid higher I would receive a fee.
trump buys the house at the telephone auction . only me trump andd his friend pulty the developer.
He quickly puts it on the market for 125 million. serves the purpose of a justification for a high sale later . . and no one will touch it . it is is bough in the name of trump properties llc. . no idea who owns it. or what else it " owns ".
Three years later 08 he sells it to Ryboloolev for approx 100 million. He should have had a 50 million plus capital gain . he tells people and press he spent 20-30 m to fix up. that would justifiy a reduction in captial gains. key question how did he report the sale , if he did at all on his 08 tax return.
He has no money. when he buys the house. His biz model is putting his name on a real estate development and gets a fee for using his name. The hotel biz is just that. someone else buys the hotel. hoping to make a profit from its operation and eventual sale. Trump put his name on it , and get a 2 % fee and maybe a piece of the profit if any on sale. He touts the project as " his " ... . just as in his current financial statements on file as president he lists his " income " as the GROSS receipts of the clubs. with no expenses deducted. not his personal revenue. ie the doral golf club loses money every year. it pays out more than it takes in , but he lists the revenue as his income. AMAZING.

"Trump's relationship with Deutsche Bank has not always been amicable; in November 2008, he had difficulty making payments on a $640 million Deutsch Bank loan – $40 million of which he guaranteed personally – he took out to finance the construction of the Trump tower in Chicago."
https://themoscowproject.org/collusion/trump-sues-deutsche-bank-3-billion/

in july , miraculously , rybololev ve buys the house for roughly the same " 40 plus million dollar " profit "

https://www.washingtonpost.com/news/worldviews/wp/2017/08/24/the-russian-diplomat-found-dead-in-his-pool-in-sudan-is-the-seventh-to-die-since-november/?utm_term=.77b0a287fb11
Joe Recarey dies in june of 18. same m.o. ?

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88th year, No. 24498 WEDNESDAY, FEBRUARY 27, 2019 $1

The Virgin Islands
DAILY NEWS
SERVING THE VIRGIN ISLANDS SINCE 1930
A Pulitzer Prize-Winning Newspaper
ST. CROIX ST. JOHN ST. THOMAS TORTOLA
CELEBRATING THE PEOPLE, CULTURES AND HISTORY OF THE VIRGIN ISLANDS

Cops increase traffic enforcement efforts

Daily News photo by BRIAN O'CONNOR

V.I. police Sgt. Latoya Schneider directs a Jeep to the side of the road for ticketing Tuesday along Veterans Drive on St. Thomas. Police have increased enforcement of a range of traffic issues in the territory in recent weeks. **Page 4**

Pardoned broadcaster fighting order to pay restitution

Page 2

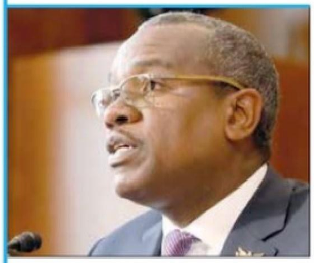
Perversion of justice

Before joining Trump's Cabinet, Alexander Acosta helped Jeffrey Epstein avoid spending the rest of his life in prison

Pages 14-16

Housing officials told to expedite payments for hurricane repairs

Page 3



Gov. Bryan testifies before U.S. Senate

Page 2

EDA officials refuse to release information

Page 5

St. Croix Dolphins take home gold

Page 34

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BACON MANIA

Your favorite classics now with Bacon!

BigMac® Bacon

Bacon Quarter Pounder®

Offer valid until April 15, 2019, at McDonald's restaurants in St. Thomas: Lockhart, Frenchtown and Tutu Park; St. Croix: Golden Rock and Ville La Reine. BigMac® Bacon prices: individual $4.90, combo $7.80. Bacon Quarter Pounder® prices: Individual $4.90, combo $7.80. Combo includes medium fries and medium 21oz soda. ©2019 McDonald's Corporation.

How a future Trump Cabinet member gave a serial sex abuser the deal of a lifetime

By JULIE K. BROWN
Miami Herald

File photo by ABACA PRESS

U.S. Secretary of Labor Alexander Acosta, when he was a federal prosecutor in Miami, helped negotiate an agreement that greatly reduced the severity of the conviction of Jeffrey Epstein, a sexual abuser of girls.

> **Jeffrey preyed on girls who were in a bad way, girls who were basically homeless. He went after girls who he thought no one would listen to and he was right.**
>
> — Courtney Wild, who was 14 when she met Epstein

MIAMI — On a muggy October morning in 2007, Miami's top federal prosecutor, Alexander Acosta, had a breakfast appointment with a former colleague, Washington, D.C., attorney Jay Lefkowitz.

It was an unusual meeting for the then-38-year-old prosecutor, a rising Republican star who had served in several White House posts before being named U.S. attorney in Miami by President George W. Bush.

Instead of meeting at the prosecutor's Miami headquarters, the two men — both with professional roots in the prestigious Washington law firm of Kirkland & Ellis — convened at the Marriott in West Palm Beach, about 70 miles away. For Lefkowitz, 44, a U.S. special envoy to North Korea and corporate lawyer, the meeting was critical.

His client, Palm Beach multimillionaire Jeffrey Epstein, 54, was accused of assembling a large, cultlike network of underage girls — with the help of young female recruiters — to coerce into having sex acts behind the walls of his opulent waterfront mansion as often as three times a day, the Town of Palm Beach police found.

The eccentric hedge fund manager, whose friends included former President Bill Clinton, Donald Trump and Prince Andrew, was also suspected of trafficking minor girls, often from overseas, for sex parties at his other homes in Manhattan, New Mexico and the Virgin Islands, FBI and court records show.

Facing a 53-page federal indictment, Epstein could have ended up in federal prison for the rest of his life.

But on the morning of the breakfast meeting, a deal was struck — an extraordinary plea agreement that would conceal the full extent of Epstein's crimes and the number of people involved.

Not only would Epstein serve just 13 months in the county jail, but the deal — called a non-prosecution agreement — essentially shut down an ongoing FBI probe into whether there were more victims and other powerful people who took part in Epstein's sex crimes, according to a Miami Herald examination of thousands of emails, court documents and FBI records.

The pact required Epstein to plead guilty to two prostitution charges in state court.

Epstein and four of his accomplices named in the agreement received immunity from all federal criminal charges. But even more unusual, the deal included wording that granted immunity to "any potential co-conspirators" who were also involved in Epstein's crimes.

These accomplices or participants were not identified in the agreement, leaving it open to interpretation whether it possibly referred to other influential people who were having sex with underage girls at Epstein's various homes or on his plane.

As part of the arrangement, Acosta agreed, despite a federal law to the contrary, that the deal would be kept from the victims. As a result, the non-prosecution agreement was sealed until after it was approved by the judge, thereby averting any chance that the girls — or anyone else — might show up in court and try to derail it.

This is the story of how Epstein, bolstered by unlimited funds and represented by a powerhouse legal team, was able to manipulate the criminal justice system, and how his accusers, still traumatized by their pasts, believe they were betrayed by the very prosecutors who pledged to protect them.

"I don't think anyone has been told the truth about what Jeffrey Epstein did," said one of Epstein's victims, Michelle Licata, now 30. "He ruined my life and a lot of girls' lives. People need to know what he did and why he wasn't prosecuted so it never happens again."

Now President Donald Trump's secretary of labor, Acosta, 49, oversees a massive federal agency that provides oversight of the country's labor laws, including human trafficking.

Acosta did not respond to numerous requests for an interview or answer queries through email.

But court records reveal details of the negotiations and the role that Acosta would play in arranging the deal, which scuttled the federal probe into a possible international sex trafficking operation. Among other things, Acosta allowed Epstein's lawyers unusual freedoms in dictating the terms of the non-prosecution agreement.

Bradley Edwards

"The damage that happened in this case is unconscionable," said Bradley Edwards, a former state prosecutor who represents some of Epstein's victims. "How in the world, do you, the U.S. attorney, engage in a negotiation with a criminal defendant, basically allowing that criminal defendant to write up the agreement?"

As a result, neither the victims — nor even the judge — would know how many girls Epstein allegedly sexually abused between 2001 and 2005, when his underage sex activities were first uncovered by police. Police referred the case to the FBI a year later, when they began to suspect that their investigation was being undermined by the Palm Beach State Attorney's Office.

Not 'he said, she said'

Michael Reiter

"This was not a 'he said, she said' situation. This was 50-something 'shes' and one 'he' — and the 'shes' all basically told the same story," said retired Palm Beach Police Chief Michael Reiter, who supervised the police probe.

More than a decade later, at a time when Olympic gymnasts and Hollywood actresses have become a catalyst for a cultural reckoning about sexual abuse, Epstein's victims have all but been forgotten.

The women — now in their late 20s and early 30s — are still fighting for an elusive justice that even the passage of time has not made right.

Like other victims of sexual abuse, they believe they've been silenced by a criminal justice system that stubbornly fails to hold Epstein and other wealthy and powerful men accountable.

"Jeffrey preyed on girls who were in a bad way, girls who were basically homeless. He went after girls who he thought no one would listen to and he was right," said Courtney Wild, who was 14 when she met Epstein.

Over the past year, the Miami Herald examined a decade's worth of court documents, lawsuits, witness depositions and newly released FBI documents. Key people involved in the investigation — most of whom have never spoken before — were also interviewed. The Herald also obtained new records, including the full unredacted copy of the Palm Beach police investigation and witness statements that had been kept under seal.

The Herald learned that, as part of the plea deal, Epstein provided what the government called "valuable consideration" for unspecified information he supplied to federal investigators. While the documents obtained by the Herald don't detail what the information was, Epstein's sex crime case happened just as the country's subprime mortgage market collapsed, ushering in the 2008 global financial crisis.

Records show that Epstein was a key federal witness in the criminal prosecution of two prominent executives with Bear Stearns, the global investment brokerage that failed in 2008, who were accused of corporate securities fraud. Epstein was one of the largest investors in the hedge fund managed by the executives, who were later acquitted. It is not known what role, if any, the case played in Epstein's plea negotiations.

The Herald also identified about 80 women who say they were molested or otherwise sexually abused by Epstein from 2001 to 2006. About

See **PERVERSION,** page 16

For years, Jeffrey Epstein abused teen girls, police say. A timeline of his case

2005

March: A 14-year-old girl and her parents report that Jeffrey Epstein molested her at a mansion in Palm Beach, Fla. She said a female acquaintance and classmate at Royal Palm Beach High School had taken her to the house to give him a massage in exchange for money.

April: Palm Beach police begin trash pulls at Epstein's home, discovering a telephone message for Epstein with the girl's name on it, and a time that matched the time that she told police she was there. They find the names and phone numbers of other girls on message slips in his trash.

October: With the police probe in full swing, one of Epstein's assistants calls one of the girls just as she is being questioned by police. Investigators begin interviewing more girls, as well as Epstein's butlers, who tell them that Epstein had frequent visits from girls. On Oct. 20, they execute a search warrant at his Palm Beach house.

2006

May: Police sign a probable cause affidavit charging Epstein and two of his assistants with multiple counts of unlawful sex acts with a minor. The Palm Beach state attorney, Barry Krischer, instead refers the case to a grand jury.

June: The grand jury, after hearing from only one girl, returns an indictment of one count of solicitation of prostitution. The charge does not reflect that the victim was a minor.

July: Epstein's powerhouse legal team tries to negotiate a deal with the State Attorney's Office. Lawyers discuss a deferred prosecution in which Epstein would enter a pretrial intervention program and serve no jail time.

July: After pressure from the Palm Beach police chief, the FBI opens a federal investigation, dubbed "Operation Leap Year." Documents list the possible crime as "child prostitution."

November: The FBI begins interviewing potential witnesses and victims from Florida, New York and New Mexico.

2007

May: As the U.S. Attorney's Office prepares to present the case to a federal grand jury, Epstein's attorneys request a meeting to discuss the investigation.

June: A 53-page indictment is prepared by the U.S. Attorney's Office as, simultaneously, plea negotiations are initiated with Epstein's legal team.

July: Grand jury subpoenas are issued for Epstein's computers, which were removed from his home prior to the police search.

August: The U.S. attorney in Miami, Alexander Acosta, enters into direct discussions about the plea agreement; a motion to compel production of Epstein's computers is delayed.

September: Federal prosecutors draw up several federal plea agreements that are rejected by Epstein and his attorneys. Epstein signs a non-prosecution agreement on Sept. 24, but his attorneys continue to delay his court appearance.

October: With the non-prosecution agreement still being debated, Acosta meets with Epstein lawyer Jay Lefkowitz at the West Palm Beach Marriott to discuss finalizing a deal. Among the terms agreed upon: that the victims would not be notified, that the deal would be kept under seal and all grand jury subpoenas would be canceled.

November: Epstein's lawyers object to an addendum to the agreement. The provision called for a special master to appoint an attorney to represent Epstein victims' rights to civil compensation.

December: The two sides continue to debate the addendum. Epstein attorney Kenneth Starr asks for a review of the agreement by the U.S. Department of Justice in Washington, further delaying its execution. Victims are told the investigation is continuing.

2008

January: Epstein attorney, Lefkowitz, calls Acosta, telling him his client will not go through with the agreement because it requires him to register as a sex offender.

February: With the plea negotiations and the Justice Department review still in limbo, the FBI continues its probe.

March: Preparations are made for a new federal grand jury presentation. In court documents, the U.S. Attorney's Office notes that Epstein's victims are being harassed by his lawyers.

May: The Justice Department issues finding that, if a plea deal is not reached, Epstein can be federally prosecuted.

June: Epstein's lawyers revisit plea negotiations, and on June 30, Epstein appears in a Palm Beach County courtroom. He pleads guilty to state charges: one count of solicitation of prostitution and one count of solicitation of prostitution with a minor under the age of 18. He is sentenced to 18 months in jail, followed by a year of community control or house arrest. He is adjudicated as a convicted sex offender who must register twice a year in Florida.

July: Epstein's victims learn about his plea in state court after the fact. They file an emergency petition to force federal prosecutors to comply with the federal Crime Victims' Rights Act, which mandates certain rights for crime victims, including the right to be informed about plea agreements and the right to appear at sentencing.

August: Epstein's victims learn that he has already been sent to jail, and that the federal investigation is over. They seek to have his plea agreement unsealed, but federal prosecutors argue against releasing the agreement, commencing a yearlong court battle to learn the terms of Epstein's plea bargain.

October: Epstein begins work release. He is picked up by his private driver six days a week and transported to an office in West Palm Beach, where he accepts visitors for up to 12 hours a day. He returns to jail in the evenings to sleep.

2009

July: Epstein is released from the Palm Beach County stockade, five months early. He must register as a sex offender and is on probation for a year, confined to his Palm Beach home except to travel to his office in West Palm Beach. However, records show he frequently makes trips to Manhattan and to his home off St. Thomas.

August: Palm Beach Police Capt. George Frick finds Epstein walking along A1A in the middle of the afternoon, when he was supposed to be at work in his office in downtown West Palm Beach. Epstein says he is walking to work, even though the location where he is found is not a direct route to his office. His probation officer says Epstein has permission to get some exercise.

September: The federal non-prosecution agreement is made public. By September, at least a dozen civil lawsuits have been filed by women who allege they were molested by Epstein when they were underage. Epstein begins the process of settling them.

November: One of Epstein's former butlers tries to sell to an undercover FBI agent a black book filled with the names of hundreds of girls and young women that Epstein allegedly procured for sex and massages. The butler tells FBI agents he witnessed nude underage girls at Epstein's pool and had known that the millionaire was having sex with them. He also said he saw pornography involving underage girls on Epstein's computers. The butler/houseman, Alfredo Rodriguez, is later charged with obstruction of justice and sentenced to federal prison. He dies in 2015. The contents of the black book become public as part of several civil lawsuits.

2010

April: Flight logs obtained as part of civil lawsuits against Epstein show an assortment of politicians, academics, celebrities, heads of state and world leaders flying on Epstein's jets in the early 2000s. Among them: former President Bill Clinton, former national security adviser Sandy Berger, former Colombian President Andres Pastrana and lawyer Alan Dershowitz.

2011

March: Two of Epstein's victims file a motion in federal court accusing the government of violating their rights by failing to notify them about the plea deal and keeping it secret. Among other things, they want the plea deal invalidated in the hopes of sending Epstein to prison.

September: U.S. District Judge Kenneth Marra rejects the U.S. Attorney's Office argument that it was under no obligation to notify victims prior to striking a non-prosecution agreement with Epstein because there were no federal charges filed against him. The decision marks a victory for Epstein's victims, but the case will drag on for seven more years.

November: Epstein must register in New York as the highest and most dangerous level of sex offender, despite efforts by him and the New York District Attorney's office to lower the classification. A Level 3 status means "high risk of repeat offense and a threat to public safety exists," according to the state's guidelines.

2012

March-December: Calling himself a "celebrated philanthropist" and a "renowned educational investor," Epstein undertakes a public relations campaign to counter bad press about his sexual exploits. His foundation donates millions to scientific research and sponsors global conferences on ways to achieve world peace and save the planet. He funds cancer and educational research projects around the country.

2015

January: Virginia Roberts files court papers in Florida claiming that she was forced by Epstein to have sex with Prince Andrew and lawyer Alan Dershowitz when she was underage. In a sworn affidavit, she provides photographs of her with the prince and with Epstein's close associate, British socialite Ghislaine Maxwell. She claims Maxwell worked as Epstein's madam, which she denies. Dershowitz and the prince deny her claims as well.

April: A federal judge rules that Roberts cannot join the federal Crime Victims' Rights Act lawsuit and that her affidavit — accusing Prince Andrew and Dershowitz of having sex with her when she was underage — be stricken from the case. Dershowitz said the ruling meant he was vindicated. However, the judge does not address the veracity of Roberts' claims, writing: "The factual details regarding with whom and where the Jane Does engaged in sexual activities are immaterial and impertinent to this central claim."

September: Roberts sues Maxwell in federal court in New York, claiming that Epstein's alleged madam defamed her in public statements in the media. The lawsuit is widely viewed as a vessel for Epstein's victims to expose the scope of Epstein's crimes. Several civil lawsuits filed the same year allege that Epstein and Maxwell operated a sex trafficking operation.

2016

June: A lawsuit is filed in Manhattan by a woman who once used the name Katie Johnson, claiming that she was raped by then-presidential candidate Donald Trump at a party at Epstein's Manhattan mansion in 1994 when she was 13 years old. Trump and Epstein both categorically deny it happened.

November: Johnson backs out of a press conference just days before Election Day, saying she had been threatened and was fearful. She later drops the lawsuit.

2017

February: President Donald Trump nominates former Miami federal prosecutor Acosta as U.S. secretary of labor.

June: Roberts settles her lawsuit with Maxwell for an undisclosed sum.

2018

December: Civil trial is scheduled in Palm Beach County Court on Bradley Edwards' allegations that Epstein sued him to punish him for representing several of his victims. The malicious-prosecution lawsuit is set to begin Dec. 4. Epstein has indicated he will not appear in court for trial.

— *Miami Herald*

PERVERSION

CONTINUED FROM PAGE 14

File photo by ASSOCIATED PRESS

Jeffrey Epstein, second from left, in custody in West Palm Beach, Fla., in 2008.

> You beat yourself up mentally and physically. You can't ever stop your thoughts. A word can trigger something. For me, it is the word 'pure' because he called me 'pure' in that room and then I remember what he did to me in that room.
>
> — Jena-Lisa Jones, who said Epstein molested her when she was 14

60 of them are now scattered around the country and abroad. Eight of them agreed to be interviewed, on or off the record. Four of them were willing to speak on video.

The women are now mothers, wives, nurses, bartenders, Realtors, hairdressers and teachers. One is a Hollywood actress. Several have grappled with trauma, depression and addiction. Some have served time in prison.

A few did not survive. One young woman was found dead last year in a rundown motel in West Palm Beach. She overdosed on heroin and left behind a young son.

As part of Epstein's agreement, he was required to register as a sex offender, and pay restitution to the three dozen victims identified by the FBI. In many cases, the confidential financial settlements came only after Epstein's attorneys exposed every dark corner of their lives in a scorched-earth effort to portray the girls as gold diggers.

"You beat yourself up mentally and physically," said Jena-Lisa Jones, 30, who said Epstein molested her when she was 14. "You can't ever stop your thoughts. A word can trigger something. For me, it is the word 'pure' because he called me 'pure' in that room and then I remember what he did to me in that room."

Now, more than a decade later, two unrelated civil lawsuits arose.

A civil trial set for Dec. 4 in Palm Beach County state court, involves Epstein and Edwards, whom Epstein had accused of legal misdeeds in representing several victims.

The case would have been noteworthy because it would mark the first time that Epstein's victims would have their day in court, and several of them were scheduled to testify.

However, Epstein settled that case and publlicly apologized to Edwards — but he did not apologize to any of his victims.

A second lawsuit, known as the federal Crime Victims' Rights suit, is still pending in South Florida after a decade of legal jousting. It seeks to invalidate the non-prosecution agreement in hopes of sending Epstein to federal prison.

Wild, who has never spoken publicly until now, is Jane Doe No. 1 in "Jane Doe No. 1 and Jane Doe No. 2 vs. the United States of America," a federal lawsuit that alleges Epstein's federal non-prosecution agreement was illegal.

Federal prosecutors, including Acosta, not only broke the law, the women contend in court documents, but they conspired with Epstein and his lawyers to circumvent public scrutiny and deceive his victims in violation of the Crime Victims' Rights Act.

The law assigns victims a series of rights, including the right of notice of any court proceedings and the opportunity to appear at sentencing.

"As soon as that deal was signed, they silenced my voice and the voices of all of Jeffrey Epstein's other victims," said Wild, now 31. "This case is about justice, not just for us, but for other victims who aren't Olympic stars or Hollywood stars."

In court papers, federal prosecutors have argued that they did not violate the Crime Victims' Rights Act because no federal charges were ever filed in the U.S. District Court for the Southern District of Florida, an argument that was later dismissed by the judge.

Despite substantial physical evidence and multiple witnesses backing up the girls' stories, the secret deal allowed Epstein to enter guilty pleas to two felony prostitution charges. Epstein admitted to committing only one offense against one underage girl, who was labeled a prostitute, even though she was 14, which is well under the age of consent — 18 in Florida.

"She was taken advantage of twice — first by Epstein, and then by the criminal justice system that labeled a 14-year-old girl as a prostitute," said Spencer Kuvin, the lawyer who represented the girl.

"It's just outrageous how they minimized his crimes and devalued his victims by calling them prostitutes," said Yasmin Vafa, a human rights attorney and executive director of Rights4Girls, which is working to end the sexual exploitation of girls and young women.

"There is no such thing as a child prostitute. Under federal law, it's called child sex trafficking — whether Epstein pimped them out to others or not. It's still a commercial sex act — and he could have been jailed for the rest of his life under federal law," she said.

It would be easy to dismiss the Epstein case as another example of how there are two systems of justice in America, one for the rich and one for the poor. But a thorough analysis of the case tells a far more troubling story.

Unusual level of collaboration

A close look at the trove of letters and emails contained in court records provides a window into the plea negotiations, revealing an unusual level of collaboration between federal prosecutors and Epstein's legal team that even government lawyers, in recent court documents, admitted was unorthodox.

Acosta, in 2011, would explain that he was unduly pressured by Epstein's heavy-hitting lawyers — Lefkowitz, Harvard professor Alan Dershowitz, Jack Goldberger, Roy Black, former U.S. Attorney Guy Lewis, Gerald Lefcourt, and Kenneth Starr, the former Whitewater special prosecutor who investigated Bill Clinton's sexual liaisons with Monica Lewinsky.

That included keeping the deal from Epstein's victims, emails show.

"Thank you for the commitment you made to me during our Oct. 12 meeting," Lefkowitz wrote in a letter to Acosta after their breakfast meeting in West Palm Beach. He added that he was hopeful that Acosta would abide by a promise to keep the deal confidential.

"You … assured me that your office would not … contact any of the identified individuals, potential witnesses or potential civil claimants and the respective counsel in this matter," Lefkowitz wrote.

In email after email, Acosta and the lead federal prosecutor, A. Marie Villafana, acquiesced to Epstein's legal team's demands, which often focused on ways to limit the scandal by shutting out his victims and the media, including suggesting that the charges be filed in Miami, instead of Palm Beach, where Epstein's victims lived.

"On an 'avoid the press' note … I can file the charge in district court in Miami which will hopefully cut the press coverage significantly. Do you want to check that out?" Villafana wrote to Lefkowitz in a September 2007 email.

Federal prosecutors identified 36 underage victims, but none of those victims appeared at his sentencing on June 30, 2008, in state court in Palm Beach County.

Most of them heard about it on the news — and even then they didn't understand what had happened to the federal probe that they'd been assured was ongoing.

Edwards filed an emergency motion in federal court to block the non-prosecution agreement, but by the time the agreement was unsealed — over a year later — Epstein had already served his sentence and been released from jail.

"The conspiracy between the government and Epstein was really 'let's figure out a way to make the whole thing go away as quietly as possible,' " said Edwards, who represents Wild and Jane Doe No. 2, who declined to comment for this story. "In never consulting with the victims, and keeping it secret, it showed that someone with money can buy his way out of anything."

VIP treatment

It was far from the last time Epstein would receive VIP handling.

Unlike other convicted sex offenders, Epstein didn't face the kind of rough justice that child sex offenders do in Florida state prisons. Instead of being sent to state prison, Epstein was housed in a private wing of the Palm Beach County jail.

Rather than having him sit in a cell most of the day, the Palm Beach County Sheriff's Office allowed Epstein work release privileges, which enabled him to leave the jail six days a week, for 12 hours a day, to go to a comfortable office that Epstein had set up in West Palm Beach.

This was granted despite explicit sheriff's department rules stating that sex offenders don't qualify for work release.

The sheriff, Ric Bradshaw, would not answer questions, submitted by the Miami Herald, about Epstein's work release.

Neither Epstein nor his lead attorney, Jack Goldberger, responded to multiple requests for comment for this story. During depositions taken as part of two dozen lawsuits filed against him by his victims, Epstein has invoked his Fifth Amendment right against self-incrimination, in one instance doing so more than 200 times.

In the past, his lawyers have said that the girls lied about their ages, that their stories were exaggerated or untrue and that they were unreliable witnesses prone to drug use.

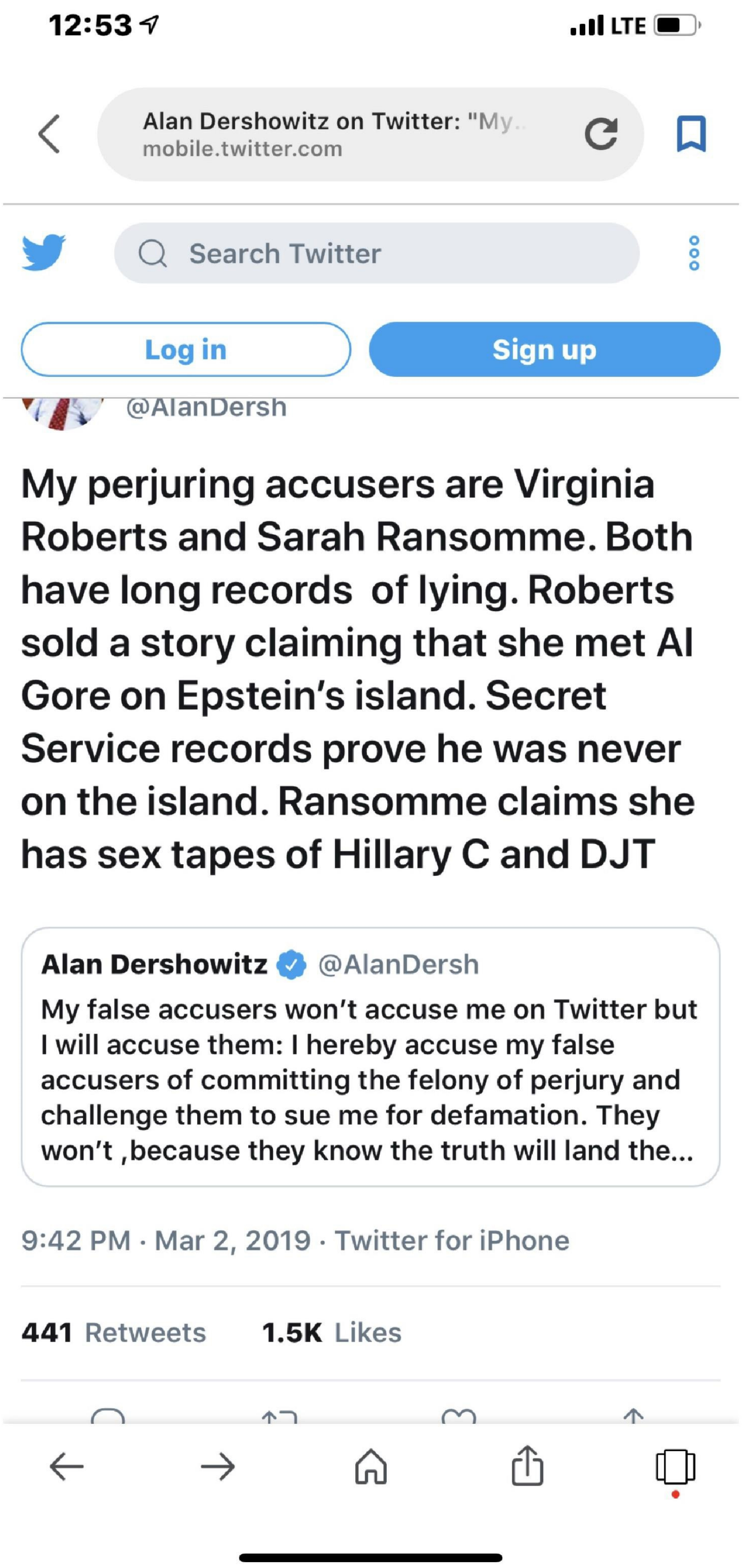
In 2011, Epstein petitioned to have his sex offender status reduced in New York, where he has a home and is required to register every 90 days. In New York, he is classified as a level 3 offender — the highest safety risk because of his likelihood to re-offend.

A prosecutor under New York County District Attorney Cyrus Vance argued on Epstein's behalf, telling New York Supreme Court Judge Ruth Pickholtz that the Florida case never led to an indictment and that his underage victims failed to cooperate in the case.

However, Pickholtz denied the petition, expressing astonishment that a New York prosecutor would make such a request on behalf of a serial sex offender accused of molesting so many girls.

"I have to tell you, I'm a little overwhelmed because I have never seen a prosecutor's office do anything like this. I have done so many [sex offender registration hearings] much less troubling than this one where the [prosecutor] would never make a downward argument like this," she said.

Coming tomorrow: The victims' stories


12:53
LTE
Alan Dershowitz on Twitter: "My...
mobile.twitter.com
Search Twitter
Log in
Sign up

@AlanDersh

My perjuring accusers are Virginia Roberts and Sarah Ransomme. Both have long records of lying. Roberts sold a story claiming that she met Al Gore on Epstein's island. Secret Service records prove he was never on the island. Ransomme claims she has sex tapes of Hillary C and DJT

Alan Dershowitz @AlanDersh

My false accusers won't accuse me on Twitter but I will accuse them: I hereby accuse my false accusers of committing the felony of perjury and challenge them to sue me for defamation. They won't ,because they know the truth will land the...

9:42 PM · Mar 2, 2019 · Twitter for iPhone

441 Retweets **1.5K** Likes

Date: Wednesday, April 17 2019 11:43 AM
Subject: Fwd: FW: Ghislaine Maxwell
From: J <jeevacation@gmail.com>
To: Darren Indyke <[redacted]>;

---------- Forwarded message ---------
From: **Jeffrey Epstein** <jeevacation@gmail.com>
Date: Fri, Mar 4, 2011 at 12:17 PM
Subject: Fwd: FW: Ghislaine Maxwell
To: Alan M. Dershowitz <[redacted]>

Privileged - Redacted

---------- Forwarded message ----------
From: **GMAX** <gmax1@ellmax.com>
Date: Fri, Mar 4, 2011 at 8:28 AM
Subject: FW: Ghislaine Maxwell
To: J Jep <jeevacation@gmail.com>

------ Forwarded Message
From: Mark Cohen <[redacted]>
Date: Fri, 4 Mar 2011 11:14:35 -0500
To: NY Max <gmax1@ellmax.com>
Subject: FW: Ghislaine Maxwell

FYI, following up on my email of this morning. Again, I have no intention of responding unless you direct otherwise.

From: [redacted]
Sent: Friday, March 04, 2011 11:12 AM
To: Brett D. Jaffe
Subject: Ghislaine Maxwell

Dear Brett Jaffe,

I left you a telephone message earlier. The Mail on Sunday newspaper is running a story on Ghislaine Maxwell, Jeffrey Epstein, Prince Andrew and others this weekend.

We urgently require responses from Ms Maxwell to the following questions. Our deadline is noon tomorrow. My telephone numbers are [redacted].

Annette Witheridge
On behalf of the Mail on Sunday

1. [redacted] says Ghislaine Maxwell offered her a job as a masseuse with Jeffrey Epstein when she was aged 15. Ms Maxwell led Virginia upstairs on her first visit to him at his Palm Beach house. Mr Epstein was naked on massage table.
Ms Maxwell initiated a bisexual encounter during which Ms Maxwell rubbed her own breasts on Mr Epstein and directed [redacted] to copy her.
Please respond to these allegations and all others in the original Jane Doe 102 complaint.

2. Ms Maxwell took part in numerous other sexual encounters involving her assistant [redacted] and Mr Epstein.

3. Ms Maxwell kept sex toys and costumes in the Palm Beach mansion and dressed [redacted] prior to sex sessions with Mr Epstein. S Maxwell herself wore black vinyl during sex sessions with Mr Epstein.

4. [redacted] was paid between US $200 and $ 5000 US sex, depending on whether it involved travel and other men.

5, [redacted] was required to have sex with friends of Ms Maxwell and Mr Epstein, including Glenn Dubin, Les Wexner, Ehud Barak, former Senator George Mitchell and Stephen Kosslyn.

6. Ms Maxwell introduced [redacted] to Prince Andrew in 2001 at Ms Maxwell's London house where [redacted] had sex with him. [redacted] subsequently was directed to meet him at Mr Epstein's New York house where Ms Maxwell directed [redacted] to sit on Andrew's knee with Johanna Sjoberg. Andrew groped both girls. Ms Maxwell directed [redacted] after this to have sex with Andrew.
Ms Maxwell and Mr Epstein subsequently travelled with [redacted] to Little St James where she was directed to stage an orgy for Andrew and Mr Epstein during which she performed oral sex on them.

7. [redacted] was paid extra by Mr Epstein or his employees for these sexual encounters.

8. Ms Maxwell knew [redacted] age and laughed about it when she introduced her to Andrew.

9. Ms Maxwell and Mr Epstein tried to persuade [redacted] to bear his child.

10. After sexual encounters with male friends of Mr Epstein and/or Ms Maxwell, Ms Maxwell and Mr Epstein would ask [redacted] explicit questions about what went on.

11. Mr Epstein's residences in Florida and New York had surveillance cameras that taped the sex sessions and taped [redacted] even in the bathroom.

12. Ms Maxwell and Mr Epstein arranged for Ehud Barak to have sex with several girls, often at Mr Epstein's Palm Beach house.

13. Ms Maxwell piloted President Bill Clinton in a helicopter to a dinner on Little St James where two brunettes Ms Maxwell, [redacted] and Mr Epstein were at the table.

14. Mr Epstein bought Ms Maxwell the helicopter, homes in New York and London and a Mercedes.

------ End of Forwarded Message

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The information contained in this communication is
confidential, may be attorney-client privileged, may
constitute inside information, and is intended only for
the use of the addressee. It is the property of
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return e-mail or by e-mail to jeevacation@gmail.com, and
destroy this communication and all copies thereof,
including all attachments. copyright -all rights reserved

From: J [jeevacation@gmail.com]
Sent: 2/1/2019 10:18:27 AM
To: jeffrey epstein [jeevacation@gmail.com]

Importance: High

prostittion is a state crime. never before a man in his own house charged with soliciting. ! in Florida first offenders are required to take a sex ed class and get pre trial diversion. no criminal record. . . there is a felony solication for the THIRD offense. . A grand jury was held and they found me guilty of one count of felony solitciation . because there were many girls. . mandatory diversion. sentence. . !!!!. a grand jury . ususally only for capital murder cases. . Recarey and Reiter (police chief). pulled my garbage for months, and surveilled the house . letting all the gilrs come and go ? ! called in the FBI. they did not like the grand jury result. and released to the press, the raw sewage of police interviews , ie, no girl was cross examined EVER. . Unheard of. . - the girls retunred the house multiplie times. for 200 dollars for a rub and tug. . no sex. . some worked in the locak massage parlors. most in thier mid twenties. . There is only press stories told my strippers of me buying my girlfiedn from slovakia from her parents . girls under 15. . all made up to get press. . FBI / puts a task force together title " operation leap year " to investigate my personal massage activity ?! nuts. interviews my chiropractor ? medical info. . etc.

[redacted]worked at Mara Lago. Trump knew of it. and came to my house many times during that period. The testimony of the houseman John allessi confiremed it. He never got a massage.
abe gosman a friend of mine . ran into financial difficulty with assited living homes. . His home was listed at 45 million dollars. with no takers for months on end . He and I agreed a price of 30m. (His wife lynn . ends up going to jail for lying to the bankrupty trustee about her jewelry.) this is in the summer of 04. . I became the stalking horse bidder at 36 m. ie if someone bid higher I would receive a fee.
trump buys the house at the telephone auction . only me trump andd his friend pulty the developer.
He quickly puts it on the market for 125 million. serves the purpose of a justification for a high sale later . . and no one will touch it . it is is bough in the name of trump properties llc. . no idea who owns it. or what else it " owns ".
Three years later 08 he sells it to Ryboloolev for approx 100 million. He should have had a 50 million plus capital gain . he tells people and press he spent 20-30 m to fix up. that would justifiy a reduction in captial gains. key question how did he report the sale , if he did at all on his 08 tax return.
He has no money. when he buys the house. His biz model is putting his name on a real estate development and gets a fee for using his name. The hotel biz is just that. someone else buys the hotel. hoping to make a profit from its operation and eventual sale. Trump put his name on it , and get a 2 % fee and maybe a piece of the profit if any on sale. He touts the project as " his " .... just as in his current financial statements on file as president he lists his " income " as the GROSS receipts of the clubs. with no expenses deducted. not his personal revenue. ie the doral golf club loses money every year. it pays out more than it takes in , but he lists the revenue as his income. AMAZING.

"Trump’s relationship with Deutsche Bank has not always been amicable; in November 2008, he had difficulty making payments on a $640 million Deutsch Bank loan – $40 million of which he guaranteed personally – he took out to finance the construction of the Trump tower in Chicago."
https://themoscowproject.org/collusion/trump-sues-deutsche-bank-3-billion/

in july , miraculously , rybololev ve buys the house for roughly the same " 40 plus million dollar " profit "

https://www.washingtonpost.com/news/worldviews/wp/2017/08/24/the-russian-diplomat-found-dead-in-his-pool-in-sudan-is-the-seventh-to-die-since-november/?utm_term=.77b0a287fb11
Joe Recarey dies in june of 18. same m.o. ?

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JEE
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Date: Friday, March 4 2011 04:45 PM
Subject: Re: Fwd: FW: Ghislaine Maxwell
From: Jeffrey Epstein <jeevacation@gmail.com>
To: The Duke <[redacted]>;

---

just got it two minutes ago.. I ve asked g lawyers to send a letter. Not sure,, it is so salcisous and ridiculous, im not sure how to respond,, the only person she didn't have sex with was Elvis

On Fri, Mar 4, 2011 at 8:40 AM, The Duke <[redacted]> wrote:

> What? I don't know any of this. How are you responding?
>
> ---
>
> **From**: Jeffrey Epstein <jeevacation@gmail.com>
> **To**: The Duke
> **Sent**: Fri Mar 04 16:31:26 2011
> **Subject**: Fwd: FW: Ghislaine Maxwell
>
> ---------- Forwarded message ----------
> From: **GMAX** <gmax1@ellmax.com>
> Date: Fri, Mar 4, 2011 at 8:28 AM
> Subject: FW: Ghislaine Maxwell
> To: J Jep <jeevacation@gmail.com>
>
> ------ Forwarded Message
> **From:** Mark Cohen <[redacted]>
> **Date:** Fri, 4 Mar 2011 11:14:35 -0500
> **To:** NY Max <gmax1@ellmax.com>
> **Subject:** FW: Ghislaine Maxwell
>
> FYI, following up on my email of this morning. Again, I have no intention of responding unless you direct otherwise.
>
> ---
>
> **From:** [redacted]
> **Sent:** Friday, March 04, 2011 11:12 AM
> **To:** Brett D. Jaffe
> **Subject:** Ghislaine Maxwell
>
> Dear Brett Jaffe,
>
> I left you a telephone message earlier. The Mail on Sunday newspaper is running a story on Ghislaine Maxwell, Jeffrey Epstein, Prince Andrew and others this weekend.
>
> We urgently require responses from Ms Maxwell to the following questions. Our deadline is noon tomorrow. My telephone numbers are [redacted]

Annette Witheridge
On behalf of the Mail on Sunday

1. [redacted] says Ghislaine Maxwell offered her a job as a masseuse with Jeffrey Epstein when she was aged 15. Ms Maxwell led Virginia upstairs on her first visit to him at his Palm Beach house. Mr Epstein was naked on massage table.
Ms Maxwell initiated a bisexual encounter during which Ms Maxwell rubbed her own breasts on Mr Epstein and directed [redacted] to copy her.
Please respond to these allegations and all others in the original Jane Doe 102 complaint.

2. Ms Maxwell took part in numerous other sexual encounters involving her assistant [redacted] and Mr Epstein.

3. Ms Maxwell kept sex toys and costumes in the Palm Beach mansion and dressed [redacted] prior to sex sessions with Mr Epstein. S Maxwell herself wore black vinyl during sex sessions with Mr Epstein.

4. [redacted] was paid between US $200 and $ 5000 US sex, depending on whether it involved travel and other men.

5, Virginia was required to have sex with friends of Ms Maxwell and Mr Epstein, including Glenn Dubin, Les Wexner, Ehud Barak, former Senator George Mitchell and Stephen Kosslyn.

6. Ms Maxwell introduced [redacted] to Prince Andrew in 2001 at Ms Maxwell's London house where [redacted] had sex with him. [redacted] subsequently was directed to meet him at Mr Epstein's New York house where Ms Maxwell directed [redacted] to sit on Andrew's knee with Johanna Sjoberg. Andrew groped both girls. Ms Maxwell directed [redacted] after this to have sex with Andrew.
Ms Maxwell and Mr Epstein subsequently travelled with [redacted] to Little St James where she was directed to stage an orgy for Andrew and Mr Epstein during which she performed oral sex on them.

7. [redacted] was paid extra by Mr Epstein or his employees for these sexual encounters.

8. Ms Maxwell knew [redacted]'s age and laughed about it when she introduced her to Andrew.

9. Ms Maxwell and Mr Epstein tried to persuade [redacted] to bear his child.

10. After sexual encounters with male friends of Mr Epstein and/or Ms Maxwell, Ms Maxwell and Mr Epstein would ask [redacted] explicit questions about what went on.

11. Mr Epstein’s residences in Florida and New York had surveillance cameras that taped the sex sessions and taped Virginia even in the bathroom.

12. Ms Maxwell and Mr Epstein arranged for Ehud Barak to have sex with several girls, often at Mr Epstein's Palm Beach house.

13. Ms Maxwell piloted President Bill Clinton in a helicopter to a dinner on Little St James where two brunettes Ms Maxwell, [redacted] and Mr Epstein were at the table.

14. Mr Epstein bought Ms Maxwell the helicopter, homes in New York and London and a Mercedes.

------ End of Forwarded Message

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Date: Friday, March 4 2011 05:17 PM
Subject: Fwd: FW: Ghislaine Maxwell
From: Jeffrey Epstein <jeevacation@gmail.com>
To: Alan M. Dershowitz <[redacted];

Privileged - Redacted

---------- Forwarded message ----------
From: **GMAX** <gmax1@ellmax.com>
Date: Fri, Mar 4, 2011 at 8:28 AM
Subject: FW: Ghislaine Maxwell
To: J Jep <jeevacation@gmail.com>

------ Forwarded Message
From: Mark Cohen <[redacted]>
Date: Fri, 4 Mar 2011 11:14:35 -0500
To: NY Max <gmax1@ellmax.com>
Subject: FW: Ghislaine Maxwell

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From: [redacted]
Sent: Friday, March 04, 2011 11:12 AM
To: Brett D. Jaffe
Subject: Ghislaine Maxwell

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Annette Witheridge
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2. Ms Maxwell took part in numerous other sexual encounters involving her assistant [redacted]; [redacted]

and Mr Epstein.

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------ End of Forwarded Message

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Date: Friday, March 4 2011 05:21 PM
Subject: Re: Fwd: FW: Ghislaine Maxwell
From: Jeffrey Epstein <jeevacation@gmail.com>
To: [redacted];

Privileged - Redacted

On Fri, Mar 4, 2011 at 9:20 AM, Alan Dershowitz [redacted]> wrote:

Privileged - Redacted

Sent from my Verizon Wireless BlackBerry

From: Jeffrey Epstein <jeevacation@gmail.com>
Date: Fri, 4 Mar 2011 08:37:01 -0800
To: Alan M. Dershowitz [redacted]
Subject: Fwd: FW: Ghislaine Maxwell

Privileged - Redacted

---------- Forwarded message ----------
From: **GMAX** <gmax1@ellmax.com>
Date: Fri, Mar 4, 2011 at 8:28 AM
Subject: FW: Ghislaine Maxwell
To: J Jep <jeevacation@gmail.com>

------ Forwarded Message
From: Mark Cohen [redacted]
Date: Fri, 4 Mar 2011 11:14:35 -0500
To: NY Max <gmax1@ellmax.com>
Subject: FW: Ghislaine Maxwell

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Subject: Ghislaine Maxwell

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------ End of Forwarded Message

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Date: Friday, July 1 2011 10:38 PM
Subject: Re: Huffington Post
From: Jeffrey Epstein <jeevacation@gmail.com>
To: Peggy Siegal <[redacted]>;

I think a great opportunity has arisen. Just like the headlines of a hotel maid now proven to have lied in the Stauss Kahn case. The girl who accused Prince Andrew can also easily be proven to be a liar. I think Buckingham Palace would love it . You should task someone to investigate the girl [redacted], that has caused the Queens son all this agro. I promise you she is a fraud. you and i will be able to go to ascot for the rest of our lives. I know there is a public police report that no one has had the courage to publish, as they do not want to be seen attacking a " vicitm", but being falsely accused will be the new headline

On Fri, Jul 1, 2011 at 2:43 PM, Peggy Siegal <[redacted]> wrote:

> If you rewrite your last email in better grammar, (and so I have a better understanding) I can cut and paste and send it to Arianna Huffington from me.....
>
> Did you know why Prince Albert's Charlene fled to the airport with a one way ticket back to South Africa? Because she found out about a third illegitimate child that is 3 months old...the palace officials followed her to the airport and propably made her an offer she could not refuse...will get details from Jim Coleman when he comes home Sunday night.
>
> In Southampton now. Peg
>
> ---- Original Message ----
> From: Jeffrey Epstein <jeevacation@gmail.com>
> To: Peggy Siegal
> Sent: Fri Jul 01 07:18:25 2011
> Subject:
>
> should you point out to Ariana Huff, that the same type of person, same as strauss Kahn i s Andrews accuser, ,long criminal record. total liar. Ariana should champion the dangers of false allegations. send a reporter or reporters to investigate,.. the palace would love it, the girl in the photo , was nothing more than a telephone answerer,, she was never 15, according to her version she worked for trump , first at that age, at MAra lago. ITs ridiculous. but the press like strauss kahn is afraid to question women.
>
> --
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From: Jeffrey Epstein [jeevacation@gmail.com]
Sent: 10/19/2013 12:30:10 AM
To: Fred Haddad [redacted]
CC: Tonja Haddad Coleman [[redacted]]; Darren Indyke [redacted]]; Debbie Fein [redacted]
Subject: Re: Request for comment from The Mail on Sunday with noon ET Saturday deadline re Mr Bradley Edwards vs Mr Jeffrey Epstein

Privileged - Redacted

On Fri, Oct 18, 2013 at 8:10 PM, Fred Haddad <[redacted]> wrote:

Privileged - Redacted

Sent from my iPhone

On Oct 18, 2013, at 6:38 PM, Tonja Haddad Coleman <[redacted]> wrote:

Tonja Haddad Coleman, Esq.
Sent from my iPhone

Begin forwarded message:

From: Sharon Churcher <[redacted]>
Date: October 18, 2013 at 6:32:28 PM EDT
To: "[redacted]" <[redacted]>, "[redacted] <[redacted]>
Cc: Nick Pyke <[redacted]>, Liz Hartley <[redacted]>
Subject: Request for comment from The Mail on Sunday with noon ET Saturday deadline re Mr Bradley Edwards vs Mr Jeffrey Epstein

Dear Sirs:

We are preparing an article about the calendaring today of Mr Edwards' claim against Mr Epstein for jury trial and the witness list which names [redacted] and other young women who allege they were underage victims of Mr Epstein.

Mr Edwards claims that Mr Epstein maliciously attempted to intimidate him and his clients into retracting their claims.

Ms [redacted] further has stated to us that she intends to testify that she was flown to London by Mr Epstein and instructed to have sex at age 17 with Prince Andrew. She alleges that she was paid $15k for this encounter.

She claims that on another occasion, Mr Epstein flew two young women to a dinner for the purpose of entertaining President Clinton. She claims she herself was sex trafficked to several other men, whose contact information is contained in an address book of Mr Epstein's filed in court records.

May we have a comment please? Our deadline is 1pm tomorrow (SATURDAY) ET.

Yours sincerely,
Sharon Churcher

The Mail on Sunday (New York office)

Ph: [redacted] or [redacted]

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Equity Strategy Focus Point

Death and tax reform

Bank of America Merrill Lynch

Quantitative Analysis

29 January 2017 Corrected

Equity and Quant Strategy
United States

The First
200
Days

Savita Subramanian
Equity & Quant Strategist
MLPF&S
+1 646 855 3878
savita.subramanian@baml.com

Dan Suzuki, CFA
Equity & Quant Strategist
MLPF&S
+1 646 855 2827
dan.suzuki@baml.com

Marc Pouey
Equity & Quant Strategist
MLPF&S
+1 646 855 1142
marc.pouey@baml.com

Alex Makedon
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+1 646 855 5982
alex.makedon@baml.com

Jill Carey Hall, CFA
Equity & Quant Strategist
MLPF&S
+1 646 855 3327
jill.carey@baml.com

Jimmy Bonilla
Equity & Quant Strategist
MLPF&S
+1 646 556 4179
jimmy.bonilla@baml.com

Deep dive on corporate tax reform

OK, maybe it's not as inevitable as death and taxes, but some form of corporate tax reform seems likely. It is a stated priority of President Trump and has widespread Congressional support. We here focus on four components that could have big equity implications. We assess the impacts at a market, sector, and industry level, and plan to update and augment this work as more details come to light.

Potential near-term boost to EPS, long-term impact varies

Our 2018 S&P 500 EPS estimate of $137 already implies healthy two-year growth of +16%. Tax reform in its entirety could add as much as $5-6 to near-term EPS, as benefits are front-loaded. The sustained impact depends: under a 20% tax rate, the Blueprint would be modestly accretive; under a 15% rate, this annual benefit could triple; but a 25% tax rate that would appease the deficit hawks could shave $3.50 off of earnings each year. We also estimate a one-time $8-9 charge to GAAP EPS associated with the repatriation tax (Table 1).

Cutting corporate tax rate could add $8 to EPS

Our starting point is the US statutory corporate tax rate. If it were lowered from 35% to 20% and the US moved to a territorial tax system (no longer taxing foreign profits), it would boost S&P 500 EPS by an estimated 12% ($17 to 2018 EPS). We assume companies would be able to retain half of the benefit ($8) and the remainder would be passed on to customers or competed away. For instance, a lasting impact to Utilities' profits is unlikely, as the benefit would be passed on via regulated pricing.

Repatriation: Buybacks could boost EPS by 3%

Both Trump and the Blueprint support a mandatory (as opposed to 2004's optional) tax of overseas earnings of US firms' subsidiaries at reduced rates. Non-Financials in the S&P hold at least $1.2tn in overseas cash (mostly Tech and Health Care). If half was used for buybacks, this could add 3% ($4) to S&P 500 EPS. A redux of 2004 where companies used 80% of cash for buybacks may be less likely, in our view. For if repatriation is accompanied by an end to interest expense deductions, companies may choose to pay down debt over buybacks.

Border adjustment tax (BAT) hits EPS by $5-6

While Trump has described the BAT as being "too complicated," White House press secretary Spicer's recent comments call into question his stance. This is a key component of the Blueprint and would generate significant revenue. First-order impacts could be significant, with border adjustments detracting $5-6 from 2018 EPS — nearly 80% of the drag comes from the consumer sectors. The second order impacts — product pricing, pricing within the supply chain, exchange rates, foreign policy reactions, etc. — while harder to quantify, are important to consider.

End to interest deductibility could detract 4% from EPS

We estimate that over time, the removal of the interest expense deduction would detract about 4% from S&P 500 EPS. An increase in the cost of debt by an incremental 25% could have longer term ramifications for capital structures and funding..

Tax reform winners and losers

We include stock screens for potential beneficiaries and victims of tax cuts, repatriation and interest deductibility changes, as well as industries most helped/hurt most by a BAT. Note that the very fact that there are companies and industries that have the potential to be very negatively impacted could call into question the likelihood of passage.

Table 1: Estimated impact of tax reform on S&P 500 2018 EPS

Tax policy	15%	20%	25%
Tax rate change	10.50	8.00	5.00
End int. deduct. – init. impact*	-0.50 to -1.00	-0.50 to -1.50	-0.50 to -2.00
Border adjustments	-4.00	-5.50	-6.50
Repatriation buybacks	4.00	4.00	4.00
Total init. Impact	**9.50 to 10.00**	**5.00 to 6.00**	**0.50 to 2.00**
End int. deduct. – recur. impact	-3.50	-5.00	-6.00
Recurring impact	**7.00**	**1.50**	**-3.50**
One-time repat. tax	-8.50	-8.50	-8.50

Source: BofAML US Equity & Quant Strategy, FactSet, Compustat, S&P

*Assumes end to interest deductibility only applies to new debt, where we estimate 70-90% of debt is long-term.

Note: For this exhibit, we assume that 100% of the cash is repatriated and 50% of it is spent on buybacks. For different buyback assumptions, please see the section on repatriation.

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Refer to important disclosures on page 26 to 27. 11706251

Timestamp: 29 January 2017 12:01AM EST

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The costs and benefits of tax reform 3

Cutting the corporate tax rate 4

Repatriation 6

Border adjustment tax analysis 12

Closing loopholes 15

No interest tax shield 17

Tax reform screens 19

Related BofAML research on US tax reform 22

Methodology 24

The costs and benefits of tax reform

2017 could be a watershed year from a tax reform perspective. Trump has continuously stated that tax reform is a priority, and there is evidence of widespread support in Congress. Tax reform could be enacted through reconciliation without the risk of being filibustered, suggesting the timing could be imminent. Corporate tax reform could have a significant impact on S&P 500 earnings, corporate behavior and capital markets. Much has been written on the timing, funding and process by which corporate tax reform could be enacted. In this report, we use House Speaker Paul Ryan's Blueprint proposal as a starting point in quantifying the impact of corporate tax reform on the S&P 500, with some scenario analysis to account for differences included in the final bill (such as Trump's proposals). Our analysis is focused specifically on the impact of corporate tax reform, however we recognize that there are many other factors that can impact the sensitivity analysis (e.g. changes to household income tax rates, infrastructure spending, etc.).

We estimate that the Blueprint proposal would initially boost S&P 500 EPS by $5-6, assuming the end of interest expense deductions only applies to new debt, or is phased in over time. But the devil is in the details. Over time, the loss of the interest tax shield would be a significant drag on earnings as existing debt is refinanced. Additionally, the corporate tax rate is critical in determining whether or not the tax reform policies end up being accretive to earnings on a sustained basis. We estimate that at the 20% tax rate, the Blueprint would be modestly accretive, the benefit would triple under Trump's proposed 15% tax rate, but at a higher 25% tax rate that would appease the deficit hawks in Congress, the benefit would turn to a negative over time (Table 2). We also estimate a one-time $8-9 charge to GAAP EPS that would be associated with the discounted repatriation tax.

Table 2: Estimated impact of tax reform on S&P 500 2018 EPS

Tax policy	15%	20%	25%
Tax rate change	10.50	8.00	5.00
Ending interest deductibility – initial impact*	-0.50 to -1.00	-0.50 to -1.50	-0.50 to -2.00
Border adjustments	-4.00	-5.50	-6.50
Share count reduction from buybacks (50%)	4.00	4.00	4.00
Total initial impact	**9.50 to 10.00**	**5.00 to 6.00**	**0.50 to 2.00**
Ending interest deductibility – recurring impact	-3.50	-5.00	-6.00
Recurring impact	**7.00**	**1.50**	**-3.50**
One-time repatriation tax (8.75%), GAAP charge	-8.50	-8.50	-8.50

Source: BofAML US Equity & Quant Strategy, FactSet, Compustat, S&P

*Assumes end to interest deductibility only applies to new debt, where we estimate 70-90% of debt is long-term.

Note: For this exhibit, we assume that 100% of the cash is repatriated and 50% of it is spent on buybacks. For different buyback assumptions, please see the section on repatriation.

In the following pages, we focus on the following topics that have large implications for US equity investors, but it is important to consider corporate tax reform holistically rather than drawing major implications from each measure in isolation:

- Reducing the US corporate tax rate
- Repatriation - mandatory tax on overseas profits
- Border adjustment tax
- Removal of interest expense deduction

The government revenue associated with each of these is included in the table below.

Table 3: Estimated 10-year* revenue impact from tax plans, $bn

Based on estimates from both the Tax Policy Center and Tax Foundation

	House Plan	Trump Plan
Corporate Tax Reform	**-890 to -1200**	**-1940 to -2630**
Lower corporate tax rate (20% under House, 15% under Trump)	-1800 to -1850	-2120 to -2350
Full capex expensing, interest expense no longer deductible (mandatory under House, choice between two under Trump)**	-450 to -1040	-320 to -590
Deemed repatriation of overseas earnings	140 to 190	150-200
Move to territorial tax system	-90 to -160	n/a
Border adjustment	1070 to 1180	n/a
Changes to individual income/payroll taxes	**-980 to -2020**	**-2190 to -3730**
Repeal estate/gift taxes	**-190 to -240**	**-170 to -240**
Total (static) estimate	**-2420 to -3100**	**-4370 to -6150**

*Tax Foundation assumes impact over 2016-2025 and Tax Policy Center assumes impact over 2016-2026

**Under House plan, Tax Foundation separately breaks out estimates for full capex expensing (-$2236) and disallowing interest deduction on new loans (+$1194).

Note: estimates rounded to nearest ten billion, with range to incorporate estimates from both sources. Other elements to corporate tax reform not itemized above include eliminating the AMT, repealing certain corporate tax deductions, etc.

Source: Urban-Brookings Tax Policy Center, Tax Foundation, BofA Merrill Lynch US Equity & US Quant Strategy (calculation of ranges)

From a sector and industry perspective there are haves and have-nots based on each policy, but in aggregate most sectors have some puts and some takes based on tax reform. The table below shows some relevant aggregate statistics by sector that inform our subsequent analysis.

Table 4: Estimated overseas cash vs. last 12 month effective tax rate vs. COGS net exports by sector

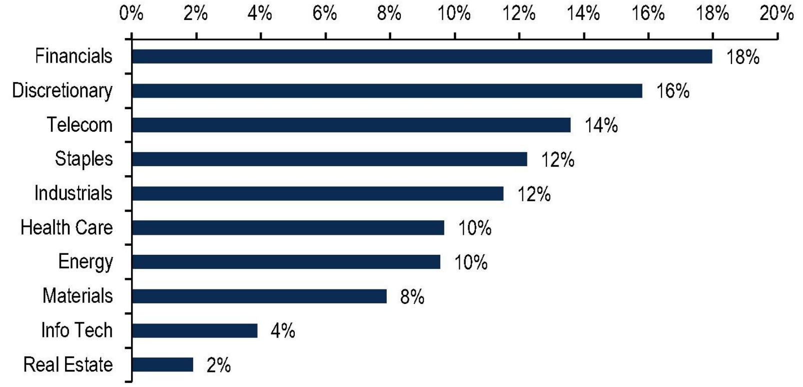
Sector	Est. cash overseas ($bn)	Overseas cash % mkt cap	Effective tax rate LTM	Net % imported vs exported COGS
Discretionary	75	2.9%	28%	-14%
Staples	68	3.2%	29%	-13%
Energy	39	2.6%	21%	-3%
Health Care	187	7.0%	23%	-4%
Industrials	127	6.0%	26%	1%
Technology	647	14.9%	20%	-9%
Materials	24	4.0%	23%	3%
Telecom	1	0.2%	29%	0%
Utilities	2	0.3%	28%	0%
S&P 500 ex. Financials & Real Estate	**1,170**	**5.7%**	**25%**	-6%

Source: BofAML US Equity & Quant Strategy, FactSet, Bloomberg

Cutting the corporate tax rate

The best starting point for analyzing corporate tax reform is the US statutory corporate tax rate, as this rate is critical in determining the impact of other proposed changes (border adjustments, interest deductibility, etc.). If the tax rate were lowered from 35% to 20% and the US moved to a territorial tax system (no longer taxing foreign profits), all else equal, we estimate an initial boost to S&P 500 EPS of 12% ($17 to 2018 EPS). However, over time, some of this benefit could be passed on to customers via lower prices — for instance, it is unlikely that there will be any major long-lasting impact from tax reform for Utilities sector profits, as any benefit/cost would likely be passed through to customers when incorporated into each company's regulated pricing. The benefit would also be offset by some of the other changes discussed in subsequent sections. We assume that S&P 500 companies would be able to retain half of the benefit, or roughly $8 of 2018E EPS. Below, we show the estimated EPS impacts on each sector based on a tax rate of 20%.

Chart 1: Sector EPS estimated impact from 20% rate



Source: BofAML US Equity & Quant Strategy, FactSet, S&P

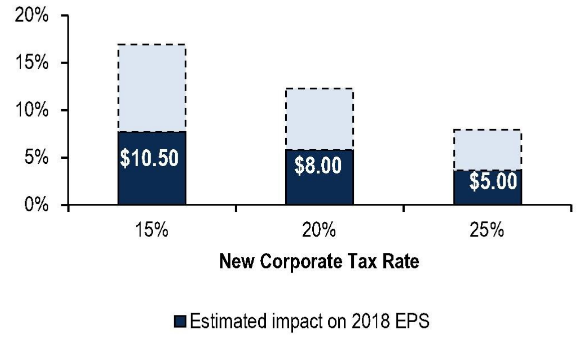
While the effective tax rate of the S&P 500 is generally about 28% (currently closer to 25% due to the recent commodity recession), we estimate that the tax rate for the S&P 500's domestic operations is much higher at roughly 33% — although this includes state and local taxes. If all companies with tax rates above the proposed new tax rate of 20% were to drop to 20%, and no companies provisioned for US taxes on foreign profits, we estimate the domestic effective tax rate for the S&P 500 would fall in line with its foreign tax rate of roughly 19%. This would represent a 9ppt decrease in the current S&P 500 tax rate and a 12% increase in EPS. We show the sensitivity to S&P 500 EPS to different assumed tax rates in the chart below, but we reiterate that these estimates exaggerate the actual impact on profits, as a significant portion of these benefits would likely be passed on to consumers via lower prices. We assume that in aggregate, roughly half of the gains from the lower tax rate would be retained (i.e. half of the amounts shown in the sensitivity analysis in Chart 2).

Table 5: Impact of 20% domestic corporate tax rate

Sector	Current tax rate	New tax rate	Change
Discretionary	30%	19%	-12ppt
Staples	29%	20%	-9ppt
Energy	41%	32%	-9ppt
Financials	33%	21%	-11ppt
Health Care	25%	16%	-9ppt
Industrials	32%	23%	-9ppt
Info Tech	18%	14%	-4ppt
Materials	28%	23%	-5ppt
Real Estate	9%	7%	-2ppt
Telecom	29%	20%	-9ppt
Utilities	32%	20%	-12ppt
S&P 500	**28%**	**19%**	**-9ppt**

Source: BofAML US Equity & Quant Strategy, FactSet, S&P
* Current tax rates may differ from other sources, as this analysis is based on companies' 5-yr median fiscal year domestic and foreign tax data from annual filings.

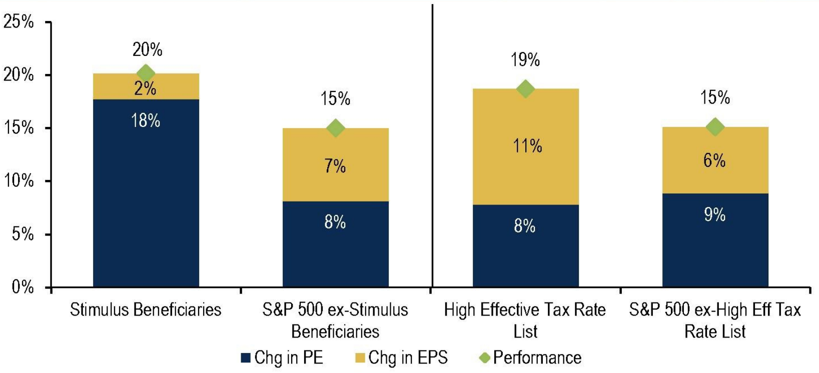
Chart 2: Benefit to 2018 S&P 500 EPS from lower tax rates



Source: BofAML US Equity & Quant Strategy
Note: Our base case assumes that half of the benefit would be passed on to customers, competed away or offset by other changes to the tax code. Thus, we would expect the uplift to our EPS forecast to be roughly half the calculated benefit from simply lowering the corporate tax rate.

The market is beginning to price in the benefits of tax cuts , but we may still be in the early days – note that potential beneficiaries of fiscal stimulus (i.e. infrastructure spending) have seen an 18% multiple re-rating but de minimis fundamental support, whereas potential beneficiaries of lower corporate tax rates have seen performance driven nearly equivalently by multiples and earnings.

Chart 3: Decomposition of performance of 1) S&P 500 stocks exposed to fiscal stimulus* and 2) top 50 S&P 500 stocks with the highest L12M effective tax rates, vs. rest of S&P 500 (1/31/16-1/23/17)



*Stocks identified by BofAML analysts as stimulus beneficiaries in 150 stocks with exposure to the Fiscal Stimulus theme 21 Aug. 2016
Source: FactSet, BofA Merrill Lynch US Equity & US Quant Strategy

Potential beneficiaries: See Table 19 at the end of this report for a screen of domestically-oriented companies with high effective tax rates which could potentially benefit from a lower corporate tax rate.

Repatriation

Repatriation likely under both Blueprint and Trump plans

Mandatory tax on overseas profits of 8.75% under Blueprint, 10% under Trump

The US currently operates under a tax system in which the domestic earnings of US corporates are taxed at the federal US corporate rate (35%) and any overseas earnings that are repatriated are taxed at this rate less a credit for foreign taxes paid on those same earnings. Many multinationals' foreign earnings thus remain parked offshore, allowing corporations to avoid the tax hit associated with bringing them back to the US. Both Trump and the House (under Ryan) have proposed a mandatory tax of overseas earnings of US firms' foreign subsidiaries at reduced rates, such that this cash can be brought back and put to work in the US. This differs from the 2004 repatriation tax holiday, which was optional.

Under the Blueprint, accumulated overseas earnings will be subject to a transition tax of 8.75%[1] (for those held in cash/cash equivalents) or 3.5% (for all other holdings), with companies able to pay the tax liability over an eight-year period. This would be part of broader tax reform, where a proposed territorial tax system would exempt companies' foreign income from US taxes and prevent future buildup of overseas profits as companies would be free to bring them home. Trump's plan calls for a one-time deemed repatriation of overseas corporate profits at a 10% tax rate.

Table 6: Blueprint vs. Trump tax plans for taxing offshore earnings of US firms' foreign subsidiaries

Plan	Tax rate on accumulated overseas earnings
Blueprint	8.75% for cash/cash equivalents, 3.5% of all other holdings
Trump tax plan	10%

Source: donaldjtrump.com, abetterway.speaker.gov

The Tax Policy Center estimates that a repatriation tax holiday would generate approximately $150bn in tax receipts under Trump's plan (over 10 years) and $140bn under the Blueprint (over eight years). The Tax Foundation similarly estimates that a repatriation act could drive spending amounting to $185-200bn in revenues through 2025, which could help fund infrastructure/defense spending.

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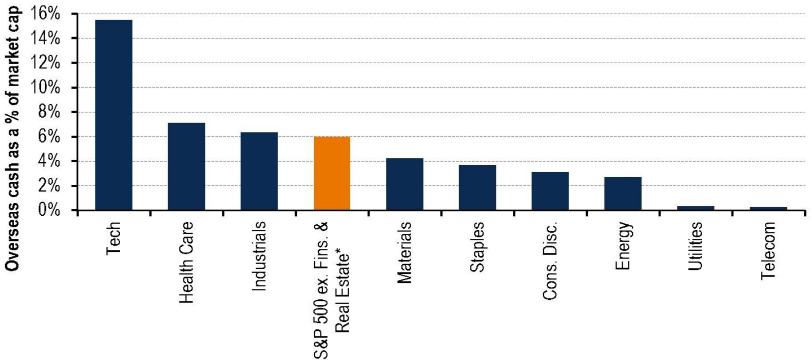
[1] Note: The effective tax rates of 8.75% and 3.5% under the Blueprint are based on an allowable deduction of 75% (for deferred earnings held in cash/liquid assets) or 90% (for the non-cash portion), with the remainder taxed at the US corporate tax rate, i.e. 35%(1-75%) = 8.75% and 35%(1-90%) = 3.5%. This methodology was proposed by Dave Camp's (former chairman of the House Committee on Ways and Means) Tax Reform Act of 2014.

S&P 500 companies could bring back over $1tn – mostly in Tech & Health Care
Our FX team has written that US corporates in aggregate (including Financials) hold ~$2tn in cash overseas, and their work suggests that nearly half is concentrated within 20 companies. Similarly, as we discuss below, half of the repatriated cash following the 2004 Homeland Investment Act came from just 15 companies, predominantly in Pharma and Tech. Our own analysis of the S&P 500 (based on filings and estimates from our analysts) suggests that non-Financials in the S&P hold approximately $1.2tn overseas, nearly three-quarters of which is in Tech and Health Care (Chart 4).

Chart 4: Estimated overseas cash as a % of mkt. cap by sector for the S&P 500 (excludes Financials and Real Estate)



Note: Overseas cash based on company disclosures where available, BofAML analyst estimates, and BofAML US Equity & Quant Strategy estimates using overseas sales as a guide where the former two were not available. For some companies, analyst estimates are for total accumulated overseas profits (which may not all be in cash). *S&P ex. Fins. & Real Estate cash is as a % of total S&P 500 market cap
Source: Bloomberg, FactSet, BofA Merrill Lynch US Equity & US Quant Strategy, BofA Merrill Lynch Global Research

Repatriation in context: a look back at 2004

The last repatriation holiday in the US was the Homeland Investment Act (HIA) of 2004 (part of the American Jobs Creation Act), which allowed for a one-time repatriation of foreign earnings by US multinationals at a reduced effective tax rate of 5.25% (vs. the statutory 35% rate), based on an allowable exemption of 85% of foreign earnings from US taxes (35% x [1-85%] = 5.25%). This deduction could be claimed in the tax year beginning before or after the passage date in Oct. 2004. Approximately $300bn was repatriated, according to the Bureau of Economic Analysis (BEA)'s U.S. International Transactions Accounts Data, vs. an average of $60bn over the prior five years. The IRS estimates[2] that 843 US companies took advantage of the act.

Despite HIA's intent; most repatriated cash was spent on buybacks/dividends
Despite the U.S. Treasury Department's guidelines that repatriated earnings should be spent on capital investment, R&D, M&A, and other pro-growth uses such as hiring, this was not ultimately the result: the National Bureau of Economic Research (NBER) estimates[3] that $0.92 of every $1.00 brought back was used to return cash to shareholders ($0.79 for buybacks and $0.15 for dividends)[4], and that repatriation ultimately did not lead to a pick-up in capex, employment or R&D. In fact, a 2011 report by US Senate Permanent Subcommittee on Investigations[5] found that the top 15

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[2] Redmiles, Melissa: "The One Time Received Dividend Deduction", https://www.irs.gov/pub/irs-soi/08codivdeductbul.pdf

[3] Dhammika Dharmapala, C. Fritz Foley, and Kristin J. Forbes: "Watch What I Do, Not What I Say: The Unintended Consequences of the Homeland Investment Act", NBER Working Paper No. 15023, June 2009, http://www.nber.org/papers/w15023.pdf.

[4] The $0.79 for buybacks and $0.15 for dividends does not sum to the $0.92 cash return figure due to the NBER's calculation methodology.

[5] United States Senate Permanent Subcommittee on Investigations: "Repatriating Offshore Funds: 2004 Tax Windfall for Select Multinationals", Majority Staff Report, October 11, 2011

repatriating companies—which accounted for 52% of the total repatriated amount—actually reduced their US workforce and decreased their R&D spending following the repatriation act. The authors of the NBER study point out that cash is fungible, and firms were able to bypass the guidelines on how repatriated cash should be used.

Table 7 shows the top 15 repatriating companies following the HIA, and IRS estimates for the proportion of repatriated cash by industry are in Table 8.

Table 7: Top 15 repatriating companies based on the 2004 HIA

Company	Repatriated Amount ($bn)
Pfizer	35.5
Merck	15.9
Hewlett Packard	14.5
Johnson & Johnson	10.7
IBM	9.5
Schering-Plough	9.4
Bristol Myers	9.0
Eli Lilly	8.0
DuPont	7.7
Pepsi Co, Inc.	7.4
Intel	6.2
Coca-Cola	6.1
Altria	6.0
Procter & Gamble	5.8
Oracle	3.1

Source: Data provided by corporations in response to U.S. Senate Permanent Subcommittee on Investigations survey

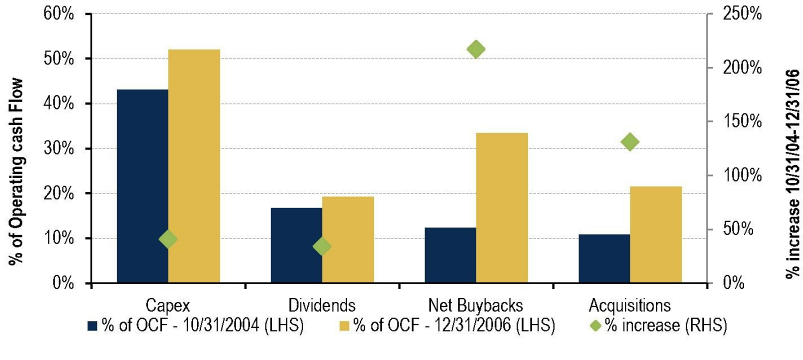
Table 8: Corporations Repatriating Dividends Under IRC Section 965, Selected Items, by Selected Major and Minor Industry of the Parent Corporation, Tax Years 2004-2006

Industry	% of Repatriated Cash Dividends
Pharmaceutical and medicine manufacturing	29%
Computer and electronic equipment manufacturing	19%
Other manufacturing	8%
Food manufacturing	6%
Other chemical manufacturing	5%
Information (including software publishers)	4%
Finance, insurance, real estate, rental and leasing	4%
Transportation equipment manufacturing	3%
Management of companies and enterprises	3%
All other industries	2%
Paper manufacturing	2%
Machinery manufacturing	2%
Electrical equipt, appliance & component manufacturing	2%
Other services	2%
Basic chemical manufacturing	2%
Fabricated metal product manufacturing	1%
Retail trade	1%
Wholesale trade, nonduarable goods	1%
Wholesale trade, durable goods	1%
Profiessional, scientific and technical services	1%
Transportation and warehousing	0%
Plastics and rubber products manufacturing	0%
Primary metal manufacturing	0%

Note: all figures are IRS estimates
Source: IRS (https://www.irs.gov/pub/irs-soi/08codivdeductbul.pdf)

Our data for the S&P 500 similarly suggests that share repurchases saw the biggest pick-up in terms of cash use from when the HIA was passed in October 2004 through the end of 2006. Buybacks jumped over 200% over this period, where they went from 12% of operating cash flows to 33% of operating cash flow by the end of 2006.

Chart 5: Capex, dividends, buybacks and M&A for the S&P 500 ex-Financials: increase from 10/31/2004-12/31/2006 and % of Operating Cash Flow during both dates



Source: FactSet, BofA Merrill Lynch US Equity & US Quant Strategy

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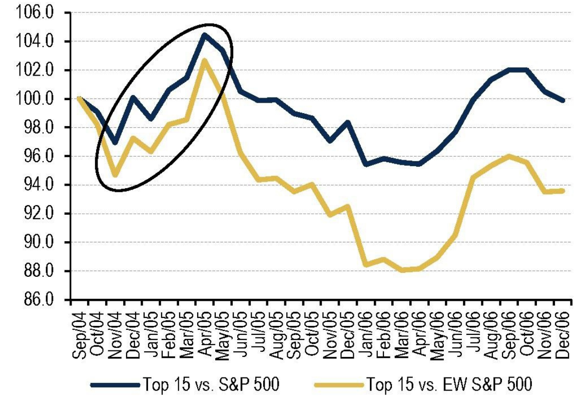
(https://www.hsgac.senate.gov/subcommittees/investigations/media/new-data-show-corporate-offshore-funds-not-trapped-abroad-nearly-half-of-so-called-offshore-funds-already-in-the-united-states)

No alpha from repatriation and multiples actually compressed

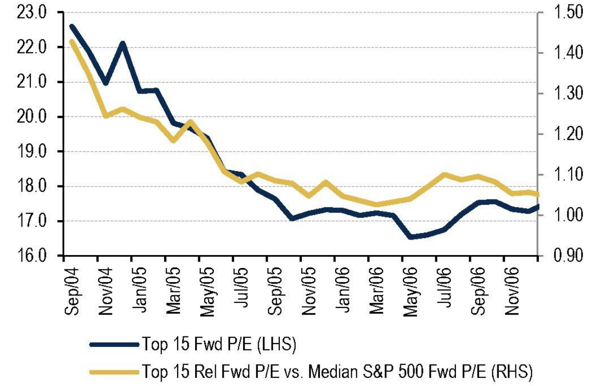
Our analysis of the top 15 repatriating companies (from Table 7) suggests that while these companies initially outperformed both the S&P 500 and equal-weighted S&P 500 from November 2004-April 2005 (by 6ppt and 5ppt, respectively), they subsequently underperformed during the remainder of 2005 and early 2006 (Chart 6). From the end of September 2004 through year-end 2006, these stocks were up 27% on average, in-line with the overall S&P 500, and below the equal-weighted benchmark's 36% return. And multiples for these stocks compressed over the majority of this period, both on an absolute basis and relative to the benchmark (Chart 7).

Chart 6: Cumulative relative performance (equal-weighted) vs. S&P 500 and EW S&P 500 of Top 15 repatriating companies, 9/30/04-12/31/06



Source: U.S. Senate Permanent Subcommittee on Investigations survey (for Top 15 repatriating stocks), FactSet, Bloomberg, BofA Merrill Lynch US Equity & US Quant Strategy

Chart 7: Fwd. P/E of Top 15 repatriating companies – absolute and relative to the S&P 500 median fwd. P/E, 9/30/04-12/31/06



Source: U.S. Senate Permanent Subcommittee on Investigations survey (for Top 15 repatriating stocks), FactSet, BofA Merrill Lynch US Equity & US Quant Strategy

Post-repatriation cash use: will this time be different?

Valuations, investor preference, growth & leverage ratios suggest less buybacks

While any potential restrictions on the use of repatriated earnings are still unknown, we suspect that a pick-up in buybacks is likely, but that a lower proportion will be used for buybacks today than during the last repatriation holiday. Valuations were generally more attractive in 2004-2005 on most metrics (Table 9), and we've found that buybacks tend to be more rewarded when stocks are cheap (Chart 8). Additionally, the largest buybacks have not generated alpha for the last several years, as investors have increasingly agitated for companies to use their excess cash on pro-growth investments (namely capex.) According to BofAML's latest Global Fund Manager Survey, 60% of investors want companies to increase capex spending, vs. 17% who want companies to return cash to shareholders (Exhibit 1). This compares to a majority of investors desiring companies to return cash to shareholders when the HIA was passed in late 2004.

Companies may also feel less pressure to bolster per share metrics by reducing share count if top line is recovering and organic growth is finally materializing. And from a capital structure perspective, if leverage loses its tax benefit, given that leverage ratios are already high (see below) companies may be less likely to reduce their equity capital base, as that would marginally increase their weighted average cost of capital.

Special dividends, pay-down of debt may be other likely uses

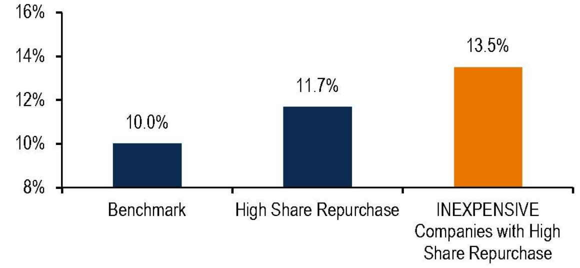
Companies may also return the cash to shareholders by issuing a one-time special dividend: income remains in-demand, given that both interest rates and dividend payout ratios remain historically low. And if a repatriation tax holiday comes within the context of broader tax reform that includes an end to the deductibility of interest expense, companies may choose to pay down debt over other uses of cash, in an attempt to skew their balance sheets less toward debt and more toward equity (see the section on no interest tax shield later in this report). Deleveraging balance sheets may also be spurred by a continued environmwnt of rising interest. Leverage for S&P non-Financials has steadily been ticking up over the last few years, and, if we exclude the cash-rich Technology sector, leverage is approaching all-time highs (Chart 9).

Table 9: S&P 500 valuations: October 2004 vs. today

Metric	10/31/2004	Today (12/31/16)
Fwd P/E	15.6	16.9
Trailing P/E	16.7	22.0
Median Fwd P/E	16.2	17.3
P/B	2.8	2.9
EV/EBITDA	11.6	11.7
P/S	1.5	2.0
EV/Sales	2.2	2.3

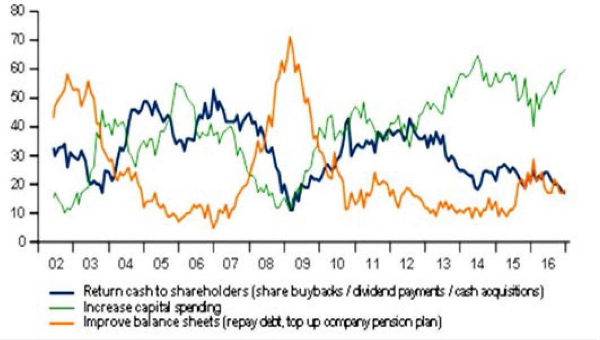
Source: FactSet, S&P, BofA Merrill Lynch US Equity & US Quant Strategy

Chart 8: Average Annual Return of Russell 1000 Top Quintiles by factor (1986-present)



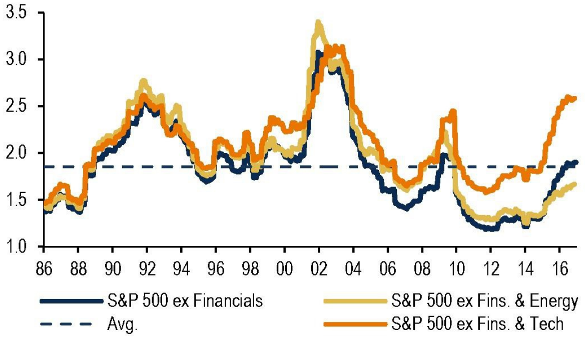
Note: valuation factor used to determine inexpensive companies is FCF/P
Source: FactSet,, BofA Merrill Lynch US Equity & US Quant Strategy

Exhibit 1: BofAML Global Fund Manager Survey (January 2017): What would you most like to see companies do with cash flow?



Source: BofA Merrill Lynch Global Fund Manager Survey (17 January 2017)

Chart 9: Net Debt/EBITDA for the S&P 500 ex Financials (and excluding Energy and Tech)



Source: FactSet, BofA Merrill Lynch US Equity & US Quant Strategy

Potential EPS impacts

$8-9 (6-7%) hit to GAAP EPS from the mandatory tax on accumulated overseas profit

We estimate that a tax of accumulated overseas profits of $1.2tn would result in a cash tax impact of $100-120bn (which may be allowed to be paid over 8-10 years), and a one-time hit to GAAP EPS of $8-9 (a lower $65-80bn, given that a several large multinationals such as AAPL already provision for US taxes on a portion of their overseas profit, resulting in effective US tax rates well above the US statutory rate). Our analysis assumes Trump's/the Blueprint's proposed rates of 8.75%/10%, and that all overseas profits are hit with this one-time tax, as suggested by their plans. See Table 10.

Note that our estimate of ~$1.2tn of cumulative profits overseas is based on estimates from us, our fundamental analysts, and company filings, where in many cases only overseas cash but not other indefinitely invested earnings are disclosed/estimated. Thus, the tax on these earnings could be slightly higher, though the Blueprint would tax earnings not held in cash at a lower 3.5% rate. (We conservatively assume our estimated $1.2tn is all cash and use the higher 8.75% rate under the Blueprint and 10% under Trump's plan in our below analysis).

Table 10: Tax impact from taxation of accumulated overseas profits at 10%/8.75% rates (assuming mandatory tax i.e. all overseas profits are taxed)

	Cash tax impact ($bn)		One-time tax hit to GAAP earnings	
Sector	**Trump (10%)**	**Blueprint (8.75%)**	**Trump (10%)**	**Blueprint (8.75%)**
Consumer Discretionary	7.5	6.5	7.5	6.5
Consumer Staples	6.8	5.9	6.8	5.9
Energy	3.9	3.4	3.9	3.4
Health Care	18.7	16.4	18.7	16.4
Industrials	12.7	11.1	12.7	11.1
Information Technology	64.7	56.6	26.0	22.7
Materials	2.4	2.1	2.4	2.1
Telecommunication Services	0.1	0.1	0.1	0.1
Utilities	0.2	0.2	0.2	0.2
S&P 500 ex. Financials & Real Estate	**117.0**	**102.4**	**78.3**	**68.5**
S&P 500 GAAP EPS impact			**($9)**	**($8)**

Source: FactSet, Bloomberg, BofAML Global Research estimates, BofA Merrill Lynch US Equity & US Quant Strategy

We estimate share buybacks add $4 (or as high as $6) to EPS (GAAP & non-GAAP)

If the full $1.2tn that we estimate for overseas cash for the S&P 500 ex. Financials & Real Estate is brought back (given the tax is mandatory and will be paid either way) and 50% is used on buybacks (~3% of S&P 500 market cap), this could add ~$4 to S&P 500 EPS. And if 80% (~4% of market cap) were used on buybacks, similar to NBER's estimate of what occurred following the 2004 tax holiday, this could add $6 to EPS. (The difference between the Trump and Blueprint tax rates is small, leading to only cents in index EPS.) If one assumed companies only brought half of their offshore cash home immediately, even though the full amount was taxed, these benefits would be cut in half.

Note that buyback programs may span several years, which could spread out some of the EPS benefit below. But if one assumes a buyback is fully executed in Year 1, this provides a one-time boost to EPS growth and a recurring benefit to future EPS given a permanently lower share count.

Table 11: Impact to S&P 500 EPS based on various buyback scenarios

% used for buybacks:	**10%**	**20%**	**30%**	**40%**	**50%**	**60%**	**70%**	**80%**	**90%**	**100%**
Trump (10% tax)	1%	1%	2%	2%	3%	3%	4%	4%	5%	6%
Blueprint (8.75% tax)	1%	1%	2%	2%	3%	3%	4%	5%	5%	6%
Benefit to 2017 EPS:	**$1**	**$1**	**$2**	**$3**	**$4**	**$4**	**$5**	**$6**	**$7**	**$7**
Benefit to 2018 EPS:	**$1**	**$1**	**$2**	**$3**	**$4**	**$5**	**$5**	**$6**	**$7**	**$8**

Assumes 100% of overseas cash is brought back (given tax is mandatory)
Source: FactSet, Bloomberg, BofA Merrill Lynch Global Research estimates, BofA Merrill Lynch US Equity & US Quant Strategy

Below we calculate the potential impact to sectors' EPS under various buyback scenarios. Differences are small under the Trump vs. Blueprint tax rates.

Table 12: Impact to sector EPS from various buyback scenarios under Trump (10% tax rate)

	% used for buybacks:									
	10%	**20%**	**30%**	**40%**	**50%**	**60%**	**70%**	**80%**	**90%**	**100%**
Cons. Disc.	0%	1%	1%	1%	1%	2%	2%	2%	3%	3%
Staples	0%	1%	1%	1%	2%	2%	2%	3%	3%	3%
Energy	0%	0%	1%	1%	1%	1%	2%	2%	2%	2%
Health Care	1%	1%	2%	3%	3%	4%	5%	5%	6%	7%
Industrials	1%	1%	2%	2%	3%	4%	4%	5%	5%	6%
Tech	1%	3%	4%	6%	7%	9%	11%	13%	14%	16%
Materials	0%	1%	1%	2%	2%	2%	3%	3%	4%	4%
Telecom	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Utilities	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

Assumes 100% of overseas cash is brought back (given tax is mandatory)
Source: FactSet, Bloomberg, BofA Merrill Lynch Global Research estimates, BofA Merrill Lynch US Equity & US Quant Strategy

Table 13: Impact to sector EPS from various buyback scenarios under Blueprint (8.75% tax rate)

	% used for buybacks:									
	10%	**20%**	**30%**	**40%**	**50%**	**60%**	**70%**	**80%**	**90%**	**100%**
Cons. Disc.	0%	1%	1%	1%	1%	2%	2%	2%	3%	3%
Staples	0%	1%	1%	1%	2%	2%	2%	3%	3%	3%
Energy	0%	0%	1%	1%	1%	1%	2%	2%	2%	3%
Health Care	1%	1%	2%	3%	3%	4%	5%	5%	6%	7%
Industrials	1%	1%	2%	2%	3%	4%	4%	5%	5%	6%
Tech	1%	3%	4%	6%	8%	9%	11%	13%	15%	16%
Materials	0%	1%	1%	2%	2%	2%	3%	3%	4%	4%
Telecom	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Utilities	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

Assumes 100% of overseas cash is brought back (given tax is mandatory)
Source: FactSet, Bloomberg, BofA Merrill Lynch Global Research estimates, BofA Merrill Lynch US Equity & US Quant Strategy

Cross-asset implications of repatriation

Repatriation should spur USD-buying – up to 40% may be non-USD denominated

While few companies disclose the currency composition of their offshore cash, our FX team estimates that 60-75% is already in USD while 25-40% is non-dollar-denominated. (If we extrapolate based on the S&P 500's geographic revenue exposure, the largest proportion could be in Europe, followed by emerging Asia.) This may result in upward pressure on the USD (which they estimate could amount to $250-$400bn if half of all offshore cash, which they estimate at ~$2tn, was repatriated). Their analysis of the EUR-USD during the last repatriation holiday suggests an "announcement effect" is likely, as the dollar strengthened ahead of the bulk of the actual repatriation flows.

Repatriation could put upward pressure on bank funding costs

Our rates team's analysis of some of the largest multinationals with offshore cash suggests ~70% of cash is invested in securities with maturities greater than one year, with the remaining 30% having shorter maturities. See table below. They believe repatriation could put upward pressure on bank funding costs as firms reduce their holdings in these short-term investments. According to Crane Data on offshore money fund holdings, our rates team cites that $161bn of offshore funds are held in commercial paper and CDs, of which the majority are from financial institutions with Japan, France and Canada the largest issuers.

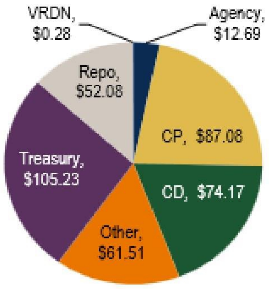
Table 14: Offshore holdings and investment allocation for select firms (see footnote) per BofAML Rates team (as published 12/9/2016)

Allocation*	
Cash & MMF	8%
CP & CD	5%
Tsy & Agy	35%
Corporate	36%
Non-US Sov	4%
Other	12%
Maturity of securities holdings**	
<1y	28%
1-5y	59%
5-10y	7%
>10y	6%

*Allocation = weighted avg of holdings across all company investments for AAPL, MSFT, CSCO, ORCL, GOOG, MRK, INTC and PFE. **Maturities = weighted avg. of holdings from MSFT, CSCO, GOOG, INTC.

Source: BofAML Global Research, company 10Q's

Exhibit 2: Offshore money fund USD asset holdings ($bn) as of 9/30/16



Source: Crane data, BofA Merrill Lynch Global Research

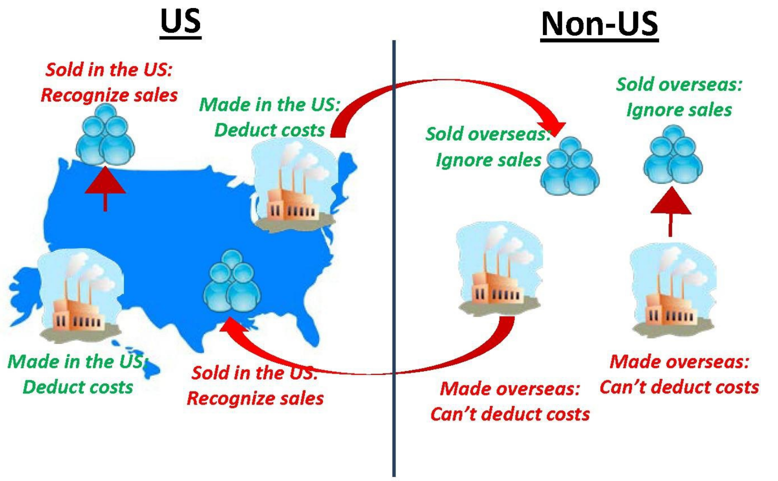
Potential beneficiaries: See Table 20 for a screen of companies with high (>10%) overseas cash to market capitalization ratios which could potentially benefit from repatriation.

Border adjustment tax analysis

A new tax policy outlined in the Blueprint proposal that has been getting a lot of attention recently is the border adjustment tax, or the application of border adjustments to a company's imports and exports. While Trump has described the proposal as being "too complicated," it is a key component of the Blueprint plan and should not be ignored. Additionally, White House press secretary Sean Spicer's recent reference to "...the plan taking shape right now, using comprehensive tax reform as a means to tax imports from countries..." could be a sign that Trump is not as against the proposal his other comments would indicate.

This policy would effectively result in the tax authorities recognizing all sales that take place in the US (regardless of where they are produced) and all the domestic costs incurred to produce goods and services for customers (regardless of where the sale takes place). As a result, net importers (such as many retailers) would suffer, as they would have to pay taxes on their domestic sales without being able to deduct a significant portion of their costs of production. Conversely, net exporters (companies with much of their production in the US but sales outside of the US) would stand to benefit from not having to pay taxes on their foreign sales while being able to deduct a significant proportion of production costs (Exhibit 3). Purely domestic companies would be unaffected.

Exhibit 3: Illustration of border adjustment treatment of US corporate taxation

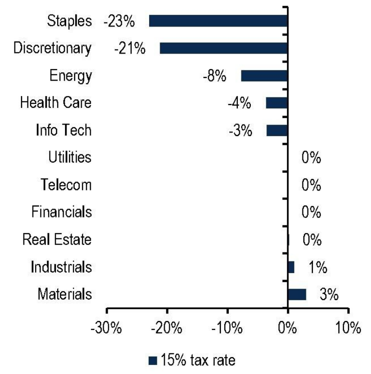

US
Non-US
Sold in the US: Recognize sales
Made in the US: Deduct costs
Sold overseas: Ignore sales
Sold overseas: Ignore sales
Made in the US: Deduct costs
Sold in the US: Recognize sales
Made overseas: Can't deduct costs
Made overseas: Can't deduct costs

Source: BofA Merrill Lynch US Equity & US Quant Strategy

Even if border adjustments are enacted, there is significant uncertainty around implementation details. For this analysis, we focus on the first order impact of border adjustments, but we recognize there would be significant second order impacts on the pricing of products, pricing within the supply chain, foreign exchange rates as well as foreign policy reactions. (We discuss many of these second order impacts later in this report.) For the current exercise, we also ignored the cost of services as the implementation of these rules would be more complicated. See the Methodology section for more details.

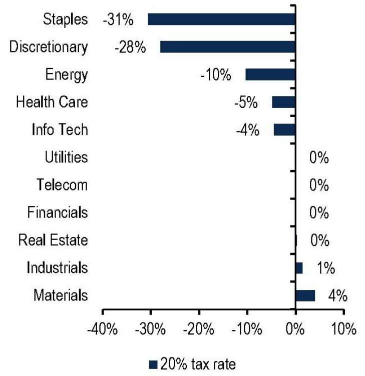
We estimate that at a 20% tax rate, border adjustments would detract $5-6 from 2018 EPS, with nearly 80% of the drag coming from the Consumer Discretionary and Consumer Staples sectors (roughly evenly split). This impact includes a 50% haircut to account for offsets from alternate sourcing, currency rates and pricing power. On one hand, we may be drastically underestimating the impact because we have not included the second order impacts on the supply chain. For example, many retailers source the bulk of their goods from domestic suppliers, who source their goods from overseas suppliers. So while the original retailer may not feel the direct tax hit from importing goods, the supplier that took the tax hit would likely pass along a significant portion of this via a higher cost. On the other hand, the supplier or the retailer could look for alternate domestic sources for those products, but it would largely depend on whether the cost differential of production between the US and overseas exceeded the border adjustment tax. Some key components in determining the cost differential are the foreign exchange rates (more on this below) and labor costs. In the end, the net impact of the border adjustment taxes will be driven by a complex interplay between corporate tax rates, pricing power, foreign exchange moves, foreign versus domestic availability and cost differentials.

Chart 10: Sector EPS impact from border adjustment tax (15% rate)



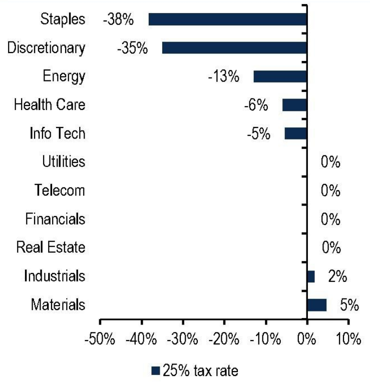
Source: BofAML US Equity & Quant Strategy, FactSet, S&P

Chart 11: Sector EPS impact from border adjustment tax (20% rate)



Source: BofAML US Equity & Quant Strategy, FactSet, S&P

Chart 12: Sector EPS impact from border adjustment tax (25% rate)



Source: BofAML US Equity & Quant Strategy, FactSet, S&P

Offsetting BAT with a little math and some price increases

A company could fully offset the border adjustment tax by raising prices such that the after-tax increase in sales would exceed the drag from the lost deduction of costs. All else equal, the break-even price increase would be equivalent to the cost of goods sold as a % of sales multiplied by net % imported and the tax to after-tax ratio, which at a 20% rate is 0.25 (20%/80%).

$$BAT\ price\ offset = COGS\ (\%\ of\ sales) * net\ import\ (\%) * \frac{tax\ rate\ (\%)}{(1 - tax\ rate\ (\%))}$$

As an example, a company with a 25% gross margin that imports 30% of its goods would need to increase its prices by of 5-6% to offset the border adjustment tax, all else equal.

Offsetting BAT with FX

Some of the increase in the after-tax cost of imported goods can also be offset by a strengthening dollar. For example, companies producing goods in Mexico, which stand to see a 25% increase in the cost of imported goods, should see the cost increase partially offset by the 13% devaluation of the Mexican Peso against the US dollar since the election. The net cost increase is a more digestible 9%, especially when you also consider that the Peso has devalued nearly 30% since its 2013 peak. While it may offer little consolation to corporates, the US Dollar Index is up over 25% since mid-2014, so the border adjustment tax would presumably act as a reversal of the lowered cost of overseas production over that period.

Border adjustment sensitivity analysis

The table below illustrates how the change in the tax rate and the application of the border adjustment tax would impact the domestic earnings of a hypothetical company with sensitivity to different tax rates and net export assumptions. We assumed the company has a 40% gross margin, operating expenses are 20% of sales and an initial tax rate of 35%. As you would expect, the biggest benefit would accrue to companies with significant net exports at a high domestic tax rate (bigger tax shield) and the most negative impact to significant net imports at a high domestic tax rate (higher taxes on higher taxable income).

Table 15: Sensitivity of a company's domestic earnings

	Net exports (% of COGS)				
Tax rate	**-100%**	**-50%**	**0%**	**50%**	**100%***
15%	-38%	-4%	31%	65%	100%
18%	-54%	-13%	27%	67%	108%
20%	-69%	-23%	23%	69%	115%
23%	-85%	-33%	19%	71%	123%
25%	-100%	-42%	15%	73%	131%
28%	-115%	-52%	12%	75%	138%
30%	-131%	-62%	8%	77%	146%
33%	-146%	-71%	4%	79%	154%
35%	-162%	-81%	0%	81%	162%

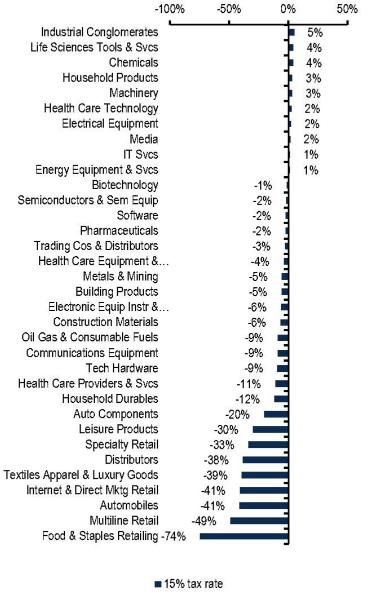
Source: BofAML US Equity & Quant Strategy

*We note that it is unlikely that a company can be a 100% net exporter and have any domestic earnings to begin with.

Note: We assume a company with a 40% gross margin, operating expenses are 20% of sales and an initial tax rate of 35%

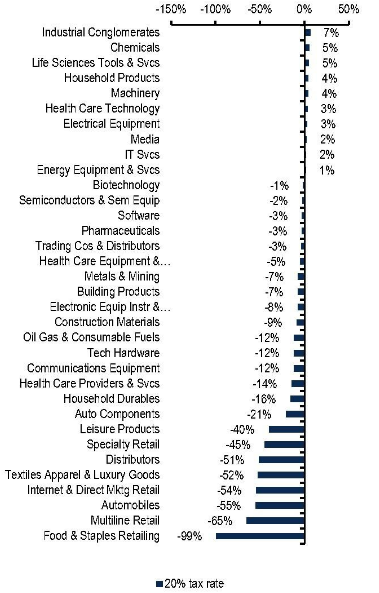
Industry screen: Below we highlight industries which could potentially benefit most / be hurt most by the BAT.

Chart 13: Industry EPS impact from border adjustment tax (15% rate)



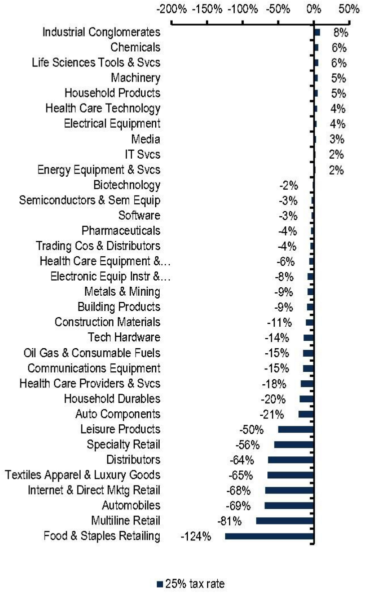
Source: BofAML US Equity & Quant Strategy, FactSet, S&P

Chart 14: Industry EPS impact from border adjustment tax (20% rate)



Source: BofAML US Equity & Quant Strategy, FactSet, S&P

Chart 15: Industry EPS impact from border adjustment tax (25% rate)



Source: BofAML US Equity & Quant Strategy, FactSet, S&P

Closing loopholes

Both Trump and the Blueprint proposal suggest getting rid of special-interest deductions and credits that distort capital allocation decisions. The table below lists the 25 biggest US corporate tax breaks. The #1 and #3 "tax breaks" are the deferral of foreign income and certain foreign financial income, but these would become irrelevant if the US moves to a territorial tax system, as is being proposed by the Blueprint plan. Exempting corporations from paying US taxes on foreign income would put the US in line with the rest of the world on this issue. Similarly, the accelerated depreciation of machinery & equipment would become irrelevant due to the move toward taxation based on business cash flow and the immediate write-off of capital expenditures. Once the depreciation from legacy investments has run off, then depreciation should become irrelevant for tax purposes. We also highlight the deduction for US production activities (section 199) due to it being specifically highlighted by the Blueprint proposal as no longer being necessary under the new tax policies. Both the Blueprint and Trump have noted that they would likely maintain the Research & Development related tax credits.

Table 16: Top 25 US corporate tax breaks (2016)

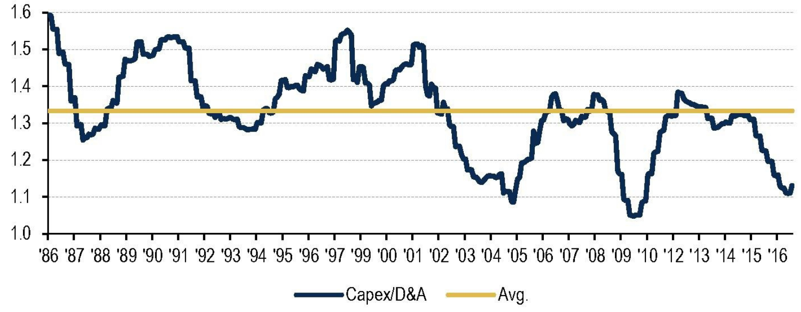
Government tax expense	Category/Industry	2016 ($mn)
Deferral of income from controlled foreign corporations	International affairs	102,100
Accelerated depreciation of machinery & equipment	Commerce	28,570
Deferred taxes for financial firms on certain income earned overseas	International affairs	15,320
Deduction for US production activities	Commerce	12,080
Credit for increasing research activities	General science, space, and technology	9,580
Exclusion of interest on public purpose State & local bonds	General purpose fiscal assistance	8,400
Credit for low-income housing investments	Housing	8,200
Expensing of research & experimentation expenditures	General science, space, and technology	6,350
Deferral of gains from like-kind exchanges	Commerce	5,720
Inventory property sales source rules exception	International affairs	4,270
Graduated corporation income tax rate	Commerce	3,300
Exemption of credit union income	Financial institutions and insurance	2,310
Special ESOP rules	Income security	1,910
Deductibility of charitable contributions, other than education & health	Training, employment, and social services	1,720
Tax credit for orphan drug research	Health	1,700
Exclusion & deferral of policyholder income earned on life insurance & annuity contracts	Financial institutions and insurance	1,470
New markets tax credit	Community and regional development	1,260
Energy production credit	Energy	1,050
Exclusion of interest on hospital construction bonds	Health	1,010
Energy investment credit	Energy	890
Work opportunity tax credit	Training, employment, and social services	830
Deductibility of charitable contributions (education)	Education	820
Tax exemption of insurance income earned by tax-exempt organizations	Financial institutions and insurance	690
Exclusion of interest on bonds for private nonprofit educational facilities	Education	660
Special Blue Cross/Blue Shield tax benefits	Health	630

Source: BofAML US Equity & Quant Strategy, US Department of Treasury

Immediate capex expensing should provide some initial cash tax benefits

The shift to the immediate expensing of capital expenditures should provide a significant near-term reduction in cash taxes as companies benefit from the ongoing reduction of taxable income from the depreciation of legacy assets combined with the full expensing of new investments. As the depreciation of legacy assets rolls off, the tax benefit would become more modest. Keep in mind that, for tax reporting, many companies already take advantage of the accelerated depreciation schedules discussed above. The ongoing benefit of capex expensing derives from the deferral in the timing of tax payments.

Chart 16: S&P 500 capital expenditure to depreciation & amortization ratio



Source: BofAML US Equity & Quant Strategy, S&P, Compustat

No interest tax shield

Another key offset to the lower corporate tax rate is the proposed ending of the deduction of net interest expense. We assume that this rule would apply to new debt and that existing debt would be grandfathered. This tax shield removal would increase the cost of debt by an incremental 25% (not to mention the 100bp+ rise in long-term interest rates seen since the summer of 2016). In the table below, we illustrate the impact on S&P 500 corporate profits. We estimate that over time, the removal of the interest rate deduction would detract about 4%, or $4-5 from S&P 500 2018 EPS, although the initial impact would be less significant given 70-90% of the debt is long term.

Table 17: Estimated EPS impact from the removal of interest tax shield

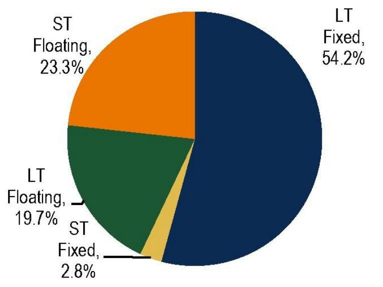
S&P 500 Non-Financials	
Net Debt ($mn)	2,899
Net Debt/EBITDA	1.74
New tax rate	20%
After-tax interest rate [interest rate w/ no tax shield * (1 - new tax rate)]	4.2%
Interest rate w/ no tax shield [interest expense / net debt]	5.2%
Change in cost of debt [(interest rate w/ no tax shield / after-tax interest rate) -1]	25%
Potential profit impact (%) [(interest rate w/) no tax shield - after-tax interest rate) * (net debt / net income)]	4%
Potential impact on 2018 EPS	**$4-5**

Source: BofAML US Equity & US Quant Strategy, S&P, FactSet

Many investors assume that interest deductions would likely apply only to new debt, and if this were the case, the drag would be gradual for the overall S&P 500 as debt matures and is refinanced. Companies have shifted the composition of their debt toward longer maturities and fixed rates. We estimate an average S&P 500 debt maturity of over eight years, with just one-third maturing within the next three years. The grandfathering of existing debt is a reasonable assumption, but not a sure thing, in our view. There is a possibility that legislators apply it to all debt on the grounds that most companies are expected to be net beneficiaries of comprehensive tax reform.

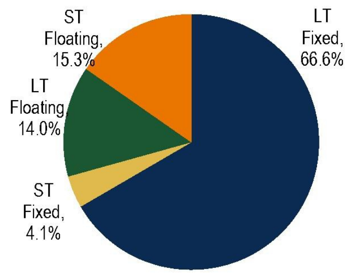
There is also a possibility that this policy is phased in over a number of years, with certain portions of the existing debt losing their interest deductibility over time.

Chart 17: Russell 1000 debt by type and maturity - 2007



Source: FactSet, BofAML US Equity & US Quant Strategy

Chart 18: Russell 1000 debt by type and maturity - October 2016



Source: FactSet, BofAML US Equity & US Quant Strategy

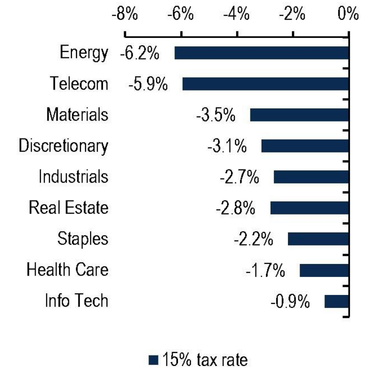
Table 18: Russell 1000 estimated weighted average debt maturity (ex-Financials & REITs)

Sector	Estimated Wtd Avg Maturity (years)
Cons. Disc.	7.0
Cons. Staples	8.1
Energy	8.4
Health Care	8.0
Industrials	8.0
Materials	7.4
Technology	7.4
Telecom	10.8
Utilities	12.0
Total	**8.3**

Source: FactSet, BofAML US Equity & US Quant Strategy

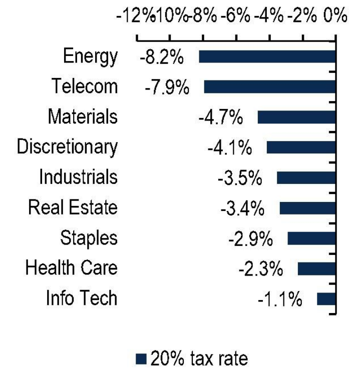
The most negatively impacted companies would clearly be the ones with the most leverage, in addition to those with depressed earnings (Metals & Mining, Energy, etc.). While the Utilities sector has a lot of leverage, there would likely be a pass through to customers in determining their allowed rate increase.

Chart 19: Sector EPS impact from ending interest deductibility (15% rate; ex- fin, utes)



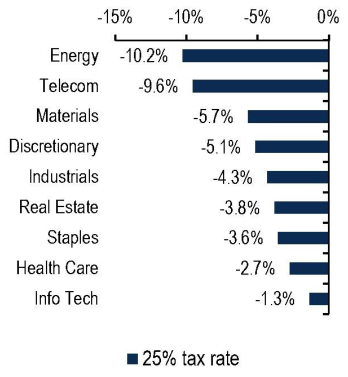
Source: BofAML US Equity & Quant Strategy, FactSet, S&P

Chart 20: Sector EPS impact from ending interest deductibility (20% rate; ex- fin, utes)



Source: BofAML US Equity & Quant Strategy, FactSet, S&P

Chart 21: Sector EPS impact from ending interest deductibility (25% rate; ex- fin, utes)



Source: BofAML US Equity & Quant Strategy, FactSet, S&P

How will levered companies react?

Companies will likely grow comfortable with a smaller amount of debt, retain more earnings, use less cash for dividends and share buybacks, and potentially draw down cash if they have it. If a tax holiday is also granted, that might offset the loss of benefit. Companies that regularly issue long-term debt may choose to reduce that burden to offset the tax change, and find those funds elsewhere. We find it unlikely that the change would result in a surge in equity issuance, unless the change applies to existing debt, which is unlikely in our view. While this change should be taken as a line item in a wholistic bill, there are victims and beneficiaries here. Corporations that have high leverage ratios, low retained earnings, high interest expense to earnings ratios, no cash overseas offset from repatriation, and those that have recurring long-term debt needs may be most at risk.

Other implications

While some argue that companies will try to raise outsized amounts of investment grade capital ahead of the deadline to lock in funding with the tax benefit before the loophole is closed, there is a reasonable chance that a provision is included in the legislation that would treat such debt as new debt. In our Investment Grade Strategist Hans Mikkelsen's view, demand for IG credit could be materially reduced over time. The tax change could also dampen Leverage Buyout (LBO) activity, according to our High Yield strategist Michael Contopoulos, where these funds are already struggling to generate high returns – note that LBO funds are currently sitting on close to $1tn in cash looking for a home, according to Preqin's third quarter update.

Who could be hurt: See Table 21 for a screen of stocks with high net interest expense as a percentage of net income which could potentially be hurt most by an end to the deductibility of interest expense.

Tax reform screens

Lower US corporate tax rate: potential beneficiaries

Below we provide a screen of domestically-oriented S&P 500 companies (<10% foreign sales exposure) with a high (>35%) median 5-year effective tax rate which could potentially benefit most from a lower US corporate tax rate.

Table 19: S&P 500 companies with high (>35%) median 5-year effective tax rates and low (<10%) foreign sales

Ticker	Company Name	Sector	Industry	Foreign Sales %	5-Year Median Effective Tax Rate %
CHTR	Charter Communications, Inc. Class A	Consumer Discretionary	Media	0%	445.3
DVN	Devon Energy Corporation	Energy	Oil Gas & Consumable Fuels	8%	58.3
REGN	Regeneron Pharmaceuticals, Inc.	Health Care	Biotechnology	0%	44.3
COG	Cabot Oil & Gas Corporation	Energy	Oil Gas & Consumable Fuels	0%	43.5
EOG	EOG Resources, Inc.	Energy	Oil Gas & Consumable Fuels	5%	42.3
RRC	Range Resources Corporation	Energy	Oil Gas & Consumable Fuels	0%	41.9
CNC	Centene Corporation	Health Care	Health Care Providers & Services	0%	41.4
ABC	AmerisourceBergen Corporation	Health Care	Health Care Providers & Services	0%	40.2
CNP	CenterPoint Energy, Inc.	Utilities	Multi-Utilities	0%	39.7
AWK	American Water Works Company, Inc.	Utilities	Water Utilities	0%	39.4
SWN	Southwestern Energy Company	Energy	Oil Gas & Consumable Fuels	0%	39.3
CVS	CVS Health Corporation	Consumer Staples	Food & Staples Retailing	0%	39.3
WFM	Whole Foods Market, Inc.	Consumer Staples	Food & Staples Retailing	3%	38.7
CMG	Chipotle Mexican Grill, Inc.	Consumer Discretionary	Hotels Restaurants & Leisure	1%	38.5
JWN	Nordstrom, Inc.	Consumer Discretionary	Multiline Retail	0%	38.5
AN	AutoNation, Inc.	Consumer Discretionary	Specialty Retail	0%	38.5
TROW	T. Rowe Price Group	Financials	Capital Markets	0%	38.4
KMX	CarMax, Inc.	Consumer Discretionary	Specialty Retail	0%	38.2
PEG	Public Service Enterprise Group Inc	Utilities	Multi-Utilities	0%	38.2
JBHT	J.B. Hunt Transport Services, Inc.	Industrials	Road & Rail	0%	38.1
ULTA	Ulta Salon, Cosmetics & Fragrance, Inc.	Consumer Discretionary	Specialty Retail	0%	38.1
CHK	Chesapeake Energy Corporation	Energy	Oil Gas & Consumable Fuels	0%	38.0
AEE	Ameren Corporation	Utilities	Multi-Utilities	0%	37.9
ALK	Alaska Air Group, Inc.	Industrials	Airlines	0%	37.9
CTL	CenturyLink, Inc.	Telecommunication Services	Diversified Telecommunication Services	0%	37.8
UNP	Union Pacific Corporation	Industrials	Road & Rail	0%	37.7
ROST	Ross Stores, Inc.	Consumer Discretionary	Specialty Retail	0%	37.7
LOW	Lowe's Companies, Inc.	Consumer Discretionary	Specialty Retail	8%	37.6
BBY	Best Buy Co., Inc.	Consumer Discretionary	Specialty Retail	8%	37.5
AAP	Advance Auto Parts, Inc.	Consumer Discretionary	Specialty Retail	0%	37.5
LUV	Southwest Airlines Co.	Industrials	Airlines	0%	37.4
SYF	Synchrony Financial	Financials	Consumer Finance	0%	37.2
DLTR	Dollar Tree, Inc.	Consumer Discretionary	Multiline Retail	8%	37.2
SCHW	Charles Schwab Corporation	Financials	Capital Markets	0%	37.2
NAVI	Navient Corp	Financials	Consumer Finance	0%	37.2
CAH	Cardinal Health, Inc.	Health Care	Health Care Providers & Services	4%	37.1
CXO	Concho Resources Inc.	Energy	Oil Gas & Consumable Fuels	0%	37.1
DFS	Discover Financial Services	Financials	Consumer Finance	0%	37.1
DGX	Quest Diagnostics Incorporated	Health Care	Health Care Providers & Services	2%	37.1
CSRA	CSRA, Inc.	Information Technology	IT Services	0%	37.1
DG	Dollar General Corporation	Consumer Discretionary	Multiline Retail	0%	37.0
XEC	Cimarex Energy Co.	Energy	Oil Gas & Consumable Fuels	0%	37.0
WEC	WEC Energy Group Inc	Utilities	Multi-Utilities	0%	36.9
CSX	CSX Corporation	Industrials	Road & Rail	0%	36.9
CTAS	Cintas Corporation	Industrials	Commercial Services & Supplies	9%	36.9
ORLY	O'Reilly Automotive, Inc.	Consumer Discretionary	Specialty Retail	0%	36.7
KSS	Kohl's Corporation	Consumer Discretionary	Multiline Retail	0%	36.7
BBBY	Bed Bath & Beyond Inc.	Consumer Discretionary	Specialty Retail	0%	36.6
TSCO	Tractor Supply Company	Consumer Discretionary	Specialty Retail	0%	36.6
HUM	Humana Inc.	Health Care	Health Care Providers & Services	0%	36.5
TSO	Tesoro Corporation	Energy	Oil Gas & Consumable Fuels	0%	36.5
ESRX	Express Scripts Holding Company	Health Care	Health Care Providers & Services	0%	36.4
HD	Home Depot, Inc.	Consumer Discretionary	Specialty Retail	9%	36.4
CME	CME Group Inc. Class A	Financials	Capital Markets	0%	36.4
UNH	UnitedHealth Group Incorporated	Health Care	Health Care Providers & Services	4%	36.4
PAYX	Paychex, Inc.	Information Technology	IT Services	1%	36.3
NSC	Norfolk Southern Corporation	Industrials	Road & Rail	0%	36.2
M	Macy's Inc	Consumer Discretionary	Multiline Retail	0%	36.2
RAI	Reynolds American Inc.	Consumer Staples	Tobacco	5%	36.1
CMCSA	Comcast Corporation Class A	Consumer Discretionary	Media	8%	35.8
AZO	AutoZone, Inc.	Consumer Discretionary	Specialty Retail	6%	35.7
UHS	Universal Health Services, Inc. Class B	Health Care	Health Care Providers & Services	0%	35.5
AET	Aetna Inc.	Health Care	Health Care Providers & Services	2%	35.5
DVA	DaVita Inc.	Health Care	Health Care Providers & Services	0%	35.4

Table 19: S&P 500 companies with high (>35%) median 5-year effective tax rates and low (<10%) foreign sales

Ticker	Company Name	Sector	Industry	Foreign Sales %	5-Year Median Effective Tax Rate %
FE	FirstEnergy Corp.	Utilities	Electric Utilities	0%	35.3
ZION	Zions Bancorporation	Financials	Banks	0%	35.2
MO	Altria Group, Inc.	Consumer Staples	Tobacco	0%	35.1
EXC	Exelon Corporation	Utilities	Electric Utilities	0%	35.1
RSG	Republic Services, Inc.	Industrials	Commercial Services & Supplies	0%	35.0

Note: This screen is not a recommended list either individually or as a group of stocks. Investors should consider the fundamentals of the companies and their own individual circumstances/objective before making any investment decisions.

Source: FactSet, BofA Merrill Lynch US Equity & US Quant Strategy

Repatriation: potential beneficiaries

Below we provide a screen of S&P 500 companies (excluding Financials and Real Estate) with high (>10%) overseas cash as a percent of market cap, which could potentially benefit most from repatriation.

Table 20: S&P 500 (ex. Financials & Real Estate) companies with the highest overseas cash* as a % of their market cap (>10%)

Ticker	Company	Sector	Industry	Overseas Cash ($mn)	Overseas Cash as a % of Mkt Cap
WU	Western Union Company	Information Technology	IT Services	6,100	62%
FSLR	First Solar, Inc.	Information Technology	Semiconductors & Semiconductor	1,500	59%
NWS	News Corporation Class B	Consumer Discretionary	Media	813	54%
ORCL	Oracle Corporation	Information Technology	Software	48,200	40%
CSCO	Cisco Systems, Inc.	Information Technology	Communications Equipment	59,800	39%
NTAP	NetApp, Inc.	Information Technology	Technology Hardware, Storage &	4,000	39%
QCOM	QUALCOMM Incorporated	Information Technology	Semiconductors & Semiconductor	29,600	36%
AAPL	Apple Inc.	Information Technology	Technology Hardware, Storage &	216,000	34%
JNPR	Juniper Networks, Inc.	Information Technology	Communications Equipment	3,167	30%
SYMC	Symantec Corporation	Information Technology	Software	4,900	29%
PVH	PVH Corp.	Consumer Discretionary	Textiles, Apparel & Luxury Goo	2,100	28%
AMGN	Amgen Inc.	Health Care	Biotechnology	29,000	26%
GE	General Electric Company	Industrials	Industrial Conglomerates	64,680	24%
MSFT	Microsoft Corporation	Information Technology	Software	108,900	22%
TDC	Teradata Corporation	Information Technology	IT Services	819	22%
CTSH	Cognizant Technology Solutions Corp. Class A	Information Technology	IT Services	7,495	22%
RL	Ralph Lauren Corporation Class A	Consumer Discretionary	Textiles, Apparel & Luxury Goo	1,085	21%
CA	CA, Inc.	Information Technology	Software	2,137	21%
WAT	Waters Corporation	Health Care	Life Sciences Tools & Services	2,346	20%
LRCX	Lam Research Corporation	Information Technology	Semiconductors & Semiconductor	3,500	19%
NWSA	News Corporation Class A	Consumer Discretionary	Media	813	18%
GOOG	Alphabet Inc. Class C	Information Technology	Internet Software & Services	42,900	18%
MCHP	Microchip Technology Incorporated	Information Technology	Semiconductors & Semiconductor	2,559	17%
GOOGL	Alphabet Inc. Class A	Information Technology	Internet Software & Services	42,900	17%
GILD	Gilead Sciences, Inc.	Health Care	Biotechnology	15,700	17%
VRSN	VeriSign, Inc.	Information Technology	Internet Software & Services	1,200	16%
PBI	Pitney Bowes Inc.	Industrials	Commercial Services & Supplies	470	16%
XLNX	Xilinx, Inc.	Information Technology	Semiconductors & Semiconductor	2,240	15%
ADI	Analog Devices, Inc.	Information Technology	Semiconductors & Semiconductor	3,374	15%
A	Agilent Technologies, Inc.	Health Care	Life Sciences Tools & Services	2,181	14%
NOV	National Oilwell Varco, Inc.	Energy	Energy Equipment & Services	2,034	14%
CTXS	Citrix Systems, Inc.	Information Technology	Software	1,970	13%
KLAC	KLA-Tencor Corporation	Information Technology	Semiconductors & Semiconductor	1,730	13%
GPS	Gap, Inc.	Consumer Discretionary	Specialty Retail	685	13%
WDC	Western Digital Corporation	Information Technology	Technology Hardware, Storage &	2,800	13%
GT	Goodyear Tire & Rubber Company	Consumer Discretionary	Auto Components	1,042	13%
ADSK	Autodesk, Inc.	Information Technology	Software	2,059	13%
PCLN	Priceline Group Inc	Consumer Discretionary	Internet & Direct Marketing Re	9,800	13%
JNJ	Johnson & Johnson	Health Care	Pharmaceuticals	38,200	13%
MRK	Merck & Co., Inc.	Health Care	Pharmaceuticals	20,995	12%
GLW	Corning Inc	Information Technology	Electronic Equip., Instruments	3,085	12%
MJN	Mead Johnson Nutrition Company	Consumer Staples	Food Products	1,577	11%
LLY	Eli Lilly and Company	Health Care	Pharmaceuticals	8,100	11%
KO	Coca-Cola Company	Consumer Staples	Beverages	17,900	11%
MOS	Mosaic Company	Materials	Chemicals	1,276	11%
AMAT	Applied Materials, Inc.	Information Technology	Semiconductors & Semiconductor	4,000	11%
PH	Parker-Hannifin Corporation	Industrials	Machinery	2,065	11%

*For some companies, total overseas cash may represent total accumulated overseas profits. Overseas cash based on BofAML analyst estimates or Bloomberg data from company disclosures.

Note: This screen is not a recommended list either individually or as a group of stocks. Investors should consider the fundamentals of the companies and their own individual circumstances/objective before making any investment decisions.

Source: FactSet, Bloomberg, BofA Merrill Lynch Global research estimates, BofA Merrill Lynch US Equity & US Quant Strategy

End of interest deductibility: who could be hurt?

Below we provide a screen of the top 50 S&P 500 companies (excluding Financials, Real Estate and Utilities) by high net interest expense as a percentage of net income, which could potentially be hurt by an end to the deductibility of interest expense.

Table 21: S&P 500 (ex. Financials, Real Estate & Utilities) with high net interest expense as a % of net income

Ticker	Company	Sector	Industry	Net Interest Expense (% of L12M Net Income)
CHTR	Charter Communications, Inc. Class A	Consumer Discretionary	Media	1387%
DVN	Devon Energy Corporation	Energy	Oil, Gas & Consumable Fuels	467%
CXO	Concho Resources Inc.	Energy	Oil, Gas & Consumable Fuels	357%
MU	Micron Technology, Inc.	Information Technology	Semiconductors & Semiconductor	316%
FCX	Freeport-McMoRan, Inc.	Materials	Metals & Mining	280%
OKE	ONEOK, Inc.	Energy	Oil, Gas & Consumable Fuels	135%
KMI	Kinder Morgan Inc Class P	Energy	Oil, Gas & Consumable Fuels	120%
LVLT	Level 3 Communications, Inc.	Telecommunication Services	Diversified Telecommunication	96%
WYNN	Wynn Resorts, Limited	Consumer Discretionary	Hotels Restaurants & Leisure	95%
CTL	CenturyLink, Inc.	Telecommunication Services	Diversified Telecommunication	94%
CF	CF Industries Holdings, Inc.	Materials	Chemicals	92%
NFX	Newfield Exploration Company	Energy	Oil, Gas & Consumable Fuels	82%
RIG	Transocean Ltd.	Energy	Energy Equipment & Services	81%
NFLX	Netflix, Inc.	Consumer Discretionary	Internet & Direct Marketing Re	80%
SE	Spectra Energy Corp	Energy	Oil, Gas & Consumable Fuels	78%
TDG	TransDigm Group Incorporated	Industrials	Aerospace & Defense	77%
HCA	HCA Holdings, Inc.	Health Care	Health Care Providers & Servic	63%
MPC	Marathon Petroleum Corporation	Energy	Oil, Gas & Consumable Fuels	56%
CAT	Caterpillar Inc.	Industrials	Machinery	56%
EVHC	Envision Healthcare Corp.	Health Care	Health Care Providers & Servic	55%
URI	United Rentals, Inc.	Industrials	Trading Companies & Distributo	54%
DVA	DaVita Inc.	Health Care	Health Care Providers & Servic	52%
TGNA	TEGNA, Inc.	Consumer Discretionary	Media	52%
DE	Deere & Company	Industrials	Machinery	50%
MAS	Masco Corporation	Industrials	Building Products	49%
ENDP	Endo International Plc	Health Care	Pharmaceuticals	48%
COTY	Coty Inc. Class A	Consumer Staples	Personal Products	47%
IP	International Paper Company	Materials	Containers & Packaging	47%
R	Ryder System, Inc.	Industrials	Road & Rail	46%
DLTR	Dollar Tree, Inc.	Consumer Discretionary	Multiline Retail	46%
NEM	Newmont Mining Corporation	Materials	Metals & Mining	46%
FOX	Twenty-First Century Fox, Inc. Class B	Consumer Discretionary	Media	46%
GT	Goodyear Tire & Rubber Company	Consumer Discretionary	Auto Components	45%
RSG	Republic Services, Inc.	Industrials	Commercial Services & Supplies	45%
SEE	Sealed Air Corporation	Materials	Containers & Packaging	45%
PBI	Pitney Bowes Inc.	Industrials	Commercial Services & Supplies	45%
AN	AutoNation, Inc.	Consumer Discretionary	Specialty Retail	44%
KSS	Kohl's Corporation	Consumer Discretionary	Multiline Retail	44%
F	Ford Motor Company	Consumer Discretionary	Automobiles	43%
VIAB	Viacom Inc. Class B	Consumer Discretionary	Media	42%
MNK	Mallinckrodt Plc	Health Care	Pharmaceuticals	41%
ADS	Alliance Data Systems Corporation	Information Technology	IT Services	41%
WRK	WestRock Co.	Materials	Containers & Packaging	40%
VRTX	Vertex Pharmaceuticals Incorporated	Health Care	Biotechnology	39%
BLL	Ball Corporation	Materials	Containers & Packaging	37%
GE	General Electric Company	Industrials	Industrial Conglomerates	37%
M	Macy's Inc	Consumer Discretionary	Multiline Retail	37%
CVX	Chevron Corporation	Energy	Oil, Gas & Consumable Fuels	37%
SLB	Schlumberger NV	Energy	Energy Equipment & Services	37%
TSO	Tesoro Corporation	Energy	Oil, Gas & Consumable Fuels	36%

Note: This screen is not a recommended list either individually or as a group of stocks. Investors should consider the fundamentals of the companies and their own individual circumstances/objective before making any investment decisions.

Source: FactSet, BofaA Merrill Lynch US Equity & US Quant Strategy

Related BofAML research on US tax reform

Below we provide links to reports from our BofAML Global Research colleagues that address this topic.

Economics:
Global Watch: Will border adjustment lead to border battles? 18 January 2017

US Economic Weekly: Cutting taxes could be taxing 02 December 2016

Credit strategy:
Situation Room: Corporate tax reform=less debt 28 November 2016

The HY Wire: 'A Better Way': tax proposals could affect HY issuance 09 December 2016

FX:
FX Watch: Ten thoughts on Border Adjustments 18 January 2017

FX Viewpoint: Homeland Investment redux? 17 October 2016

Autos:
Automotive Industry: The Trump trade – implications for the automotive value chain 18 January 2017

Consumer/Retail:
Retailing - Hardlines: A taxing set of proposals for Hardline Retailers 14 December 2016

Specialty Retail and Department Stores: Border adjustment seems unlikely but would decimate retail earnings 14 December 2016

US Consumer Staples: Policy changes: what to watch for 18 January 2017

Cosmetics, Household & Personal Care: 2017 – The Year Ahead: a few diamonds in the rough 10 January 2017

Consumer Staples: 2017 - the year ahead: sector rotation puts fundamentals in focus 13 December 2016

Tobacco: Tobacco Year Ahead 2017; see domestic players having more upside potential this yr 04 January 2017

Homebuilders and Building Products: State of the union 12 December 2016

Financials / Real Estate:
2017 Banks Year Ahead: T-R-U-M-P: Find out what it means for "E" (20% potential upside) 10 January 2017

US Banks Chart of the Week: Muni exposure will mute benefit from lower corporate taxes 11 December 2016

Insurance: Tax changes could have mixed implications 18 January 2017

Brokers, Asset Managers & Exchanges: 2017 Year Ahead: An attractive outlook, with 12-20%+ upside, with catalysts 12 January 2017

U.S. REITs: Regulatory changes are coming: A REIT analyst guidebook 17 January 2017

Health Care:
Managed Care: MCO rally has just begun; beneficiaries of the non-Health Care upside from Trump 02 December 2016

Biotechnology: On the road to recovery 04 January 2017

Healthcare: 2017 – the year ahead: the only constant is change 15 December 2016

Energy:

Refiners: What's going on with Refining in 2017: potential benefits in a Trump administration 05 January 2017

Industrials / Materials:

Industrials/Multi-Industry: DEM#217: The Year Ahead; Resetting for higher US growth and inflation 09 January 2017

Engineering & Construction: 2017 view: energy backlog more 2H story, own infrastructure & federal 12 January 2017

Transportation - Railroads: 2017 Rail Year Ahead: Macro factors favor group; 1H comps set stage for growth 12 January 2017

Business, Education & Professional Services: 2017 year ahead: INFO top pick in Business Services 12 January 2017

Basic Materials & Industrials 2017 Year Ahead: Buy America and inflation, but watch the US dollar and interest rates 12 December 2016

Global Chemicals: Potential tax reform could be more meaningful than infrastructure spending 15 December 2016

Tech:

Apple Inc.: Deep Dive - Benefit from lower U.S. tax rate, but border tax could be onerous 13 January 2017

Server & Enterprise Software: Tax reform +ve for INTU, CRM; Cash repatriation +ve for ORCL, MSFT, VMW 12 December 2016

Semiconductor Capital Equipment: Tax sensitivity analysis. Repatriation a bigger deal than taxes for Semicaps, EDA 02 December 2016

Telecom Equipment: New administration appears likely to drive spending on infrastructure & cyber security 18 January 2017

Internet/e-Commerce: Top 2017 US Internet Sector Drivers – Trump Act One 17 January 2017

Telecom:

Wireline & Wireless Telecom Services: For AT&T, Verizon and CenturyLink, the telco tax trade could be 'Huge' 19 December 2016

Wireline & Wireless Telecom Services: 2017 Year Ahead – Fiscal forces, regulation, and video migration to mobile 10 January 2017

Media:

Media & Entertainment: 2017 year ahead - living the stream 11 January 2017

Cable/Satellite: 2017 year ahead – reform, relief and resilience 11 January 2017

Utilities:

Utilities: 2017 Year Ahead: Washington DC will likely cast a long shadow on utilities 06 January 2017

Methodology

Repatriation impact

We estimated cumulative overseas profits for the S&P 500 excluding Financials and Real Estate via three sources: 1) Bloomberg data on cash held overseas (if disclosed/available), 2) BofAML analyst estimates on cumulative overseas profits or cash, and 3) our own estimate if neither (1) or (2) are available, based on (Total cash x [% of foreign sales +10%]) for companies with at least 5% foreign sales.

We apply the effective tax rates proposed by Trump (10%) and the Blueprint (8.75%) to our estimated $1.2tn in overseas cash to determine taxes due for the S&P 500 ex. Financials & Real Estate. We estimate that 100% is brought back given that the tax is mandatory. To compute the one-time tax impact to GAAP EPS, we divide the cumulative tax impact by the S&P 500 divisor, after first excluding the impact from several large multinationals (e.g. AAPL) which already provision a portion of their overseas profits for US taxes and have effective US tax rates well above 35%.

Note that for companies for which our analysts provided estimates, we asked them to provide cumulative overseas profits if possible, but in most cases this number reflects overseas cash. Thus, taxes paid could be slightly higher than we estimate given that both the Blueprint and Trump's plans suggest a mandatory tax on all accumulated overseas profits, some of which may be permanently reinvested; here, the Blueprint suggests a lower 3.5% tax for retained earnings not held in cash/equivalents, suggesting that any additional taxes payable that we are not capturing are likely to be small.

To calculate the % EPS impact from buybacks, we subtract the amount of taxes payable from total cash brought back for the S&P 500 ex. Financials & Real Estate (and for each sector) and divide this by the market cap for the S&P 500 (and for each sector.) We multiply this % impact for the overall index by our 2018E EPS of $137 to determine the potential EPS impact, applying various buyback scenarios (10-100%). We use 50% as a base case scenario, which is lower than the 80% brought back during the 2004 tax holiday, to be conservative.

Border adjustments impact on EPS

We estimate the costs of goods imported and exported for each company using the latest company filings, conversations with analysts, industry research, management commentary and the Input-Output accounts data published by the U.S. Department of Commerce. For more information about the Input-Output accounts data, please refer to the Bureau of Economic Analysis website at http://www.bea.gov/industry/io_annual.htm.

When using the estimates based on Input-Output accounts, we adjust them to account for the varying foreign exposures of different S&P 500 industries. For companies that source products through importers (e.g. retailers), we only included the costs of goods estimated to be directly imported by each company, as taxes pertaining to those imported goods should be paid by the importers themselves.

We estimate the earnings impact of border adjustments based on the additional taxes that companies would pay on the costs of imported goods sold in the US (non-deductible) and any reduction in taxes related to the production costs for exported goods (deductible). To calculate this, we multiple the net value of imported COGS by the assumed tax rate. Note that the net impact can be either positive or negative depending on whether the company is a net importer or exporter. We assume a 50% haircut to the impact to account for from alternate sourcing, currency rates and pricing power.

Lower corporate tax rate impact on EPS

We estimate the normalized effective domestic tax rate of a company based on conversations with the analysts or the median 5-year domestic income tax rate. If a company had a negative tax rate for a particular year, we exclude the tax rate of that year from the median calculation. For companies with normalized tax rates of more than 75%, we assume 35%.

The impact of a lower corporate tax rate on company earnings is directly proportional to the difference between the current domestic tax rate and the proposed tax rate. The impact is calculated by taking the difference between the current tax rate and the proposed tax rate, and dividing it by (1-current tax rate).

To calculate the impact of a lower corporate tax rate on the S&P 500 earnings, we can divide the change in the effective tax rate by (1 – the current effective tax rate).

Interest deductibility impact

We estimate the cost associated with the removal of the net interest expense deduction from taxable income by multiplying the net interest expense by the tax rate.

Disclosures

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Jeffrey Epstein Blogger Blog 1 FREEMAN 11-15-2012

Jeffrey Epstein: Educational Programs

Cuts to public funding for education means that many programs need to find support and funding from private donors. The **Jeffrey Epstein** VI Foundation is proud to provide needed funding to worthy educational programs and schools across the country. While the initial focus of the Foundation was science education , it has since widened its scope and now provides funding to a wide range of educational programs in other fields.

Bard Early College Program

The Bard High School Early College program consists of three public high schools, one in Manhattan, one in Queens and one in Newark, NJ. The schools have been cited by President Obama as model schools for the country. They've also recently received funding from Epstein. Although the schools are not charter schools, they are run with the efficiency expected of a charter school.

Bard High School Early College schools have a considerably smaller number of students than most high schools. Only 600 students attend each school. The student to teacher ratio is also surprisingly low for a public school, 20 to 1. Although the schools must meet Regent exam requirements the same as other public schools, they are given more autonomy and freedom when it comes to planning their curricula.

What also sets the Bard Schools apart, is that students graduate not only with a high school diploma, but with 60 college credits and an associates degree in the liberal arts and sciences from Bard College.

Admission to Bard High School is based on a student's writing ability and grades. It's a competitive program and fewer than 10 percent of students who apply are accepted each year.

In 2012, Epstein also provided substantial funding to the Maya Angelou charter schools in Washington, DC. The charter schools were started in 1997 for teenagers who were in the juvenile justice system. Since then, the charter schools have grown and now include four schools, including a program for older students. Currently, over 600 students attend the four schools. The graduation and college acceptance rate for the Maya Angelou Charter schools is considerably higher than for regular schools in the DC area.

Jeffrey Epstein notes that 73 percent of the school's graduates attend college and 60 percent go on to earn a college degree. The Jeffrey Epstein VI Foundation is proud to have been able to support such a worthy school.

The New York Times
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March 13, 2005

FRANK RICH

The Greatest Dirty Joke Ever Told

T was two and half weeks after 9/11 that I heard the dirtiest joke I'd ever heard in my life. New York was still tossing and turning under its blanket of grief back then. Almost no one was going out at night to have fun, a word that had been banished from the country's vocabulary. But desperately sad people will do desperate things. That's my excuse for making my way with my wife to the Hilton on Sixth Avenue, where the Friars Club was roasting Hugh Hefner.

Someone had decided that the show must go on. A crowd materialized out of nowhere to pack a vast ballroom in an otherwise shadowy and deserted Midtown. On the dais were not only the expected clowns old (Alan King) and young (Jimmy Kimmel) but a surreal grab bag of celebrities out of Madame Tussauds: Dr. Joyce Brothers, Ice-T, Patty Hearst, Donald Trump. "God Bless America" was sung by Deborah Harry.

The ensuing avalanche of Viagra jokes did not pull off the miracle of making everyone in the room forget the recent events. Restlessness had long since set in when the last comic on the bill, Gilbert Gottfried, took the stage. Mr. Gottfried, decked out in preposterously ill-fitting formal wear, has a manic voice so shrill he makes Jerry Lewis sound like Morgan Freeman. He grabbed the podium for dear life and started rocking back and forth like a hyperactive teenager trapped onstage in a school assembly. Soon he delivered what may have been the first public 9/11 gag: He couldn't get a direct flight to California, he said, because "they said they have to stop at the Empire State Building first."

There were boos, but Mr. Gottfried moved right along to his act's crowning joke. "A talent agent is sitting in is office," he began. "A family walks in - a man, woman, two kids, and their little dog. And the talent agent goes, 'What kind of an act do you do?' " What followed was a marathon description of a vaudeville routine featuring incest, bestiality and almost every conceivable bodily function. The agent asks the couple the name of their unusual act, and their answer is the punch line: "The Aristocrats."

As the mass exodus began, some people were laughing, others were appalled, and perhaps a majority of us were in the middle. We knew we had seen something remarkable, not because the joke was so funny but because it had served as shock therapy, harmless shock therapy for an adult audience, that at least temporarily relieved us of our burdens and jolted us back into the land of the living again. Some weeks later Comedy Central would cut the bit entirely from its cable recycling of the roast. But in the more than three years since, I have often reflected upon Mr. Gottfried's mesmerizing performance. At a terrible time it was an incongruous but welcome gift. He was inviting us to once again let loose.

I bring up that night now because I've seen "The Aristocrats," a new documentary inspired in part by Mr. Gottfried's strange triumph. Unveiled in January at Sundance, it's coming to a theater near some of you this summer. (It could be the first movie to get an NC-17 rating for sex and nudity not depicted on screen.) But I also bring up that night for the shadow it casts on a culture that is now caught in the vise of the government war against "indecency." The chill cast by that war is taking new casualties each day, and with each one, the commissars of censorship are emboldened to extend their reach. When even the expletives of our soldiers in Iraq are censored on a public television documentary, Mr. Gottfried's unchecked indecency seems to belong to another age.

The latest scheme for broadening that censorship arrived the week after the Oscar show was reduced to colorless piffle on network television. Ted Stevens, the powerful chairman of the Senate Commerce Committee, pronounced himself sick of "four-letter words with participles" on cable and satellite television. "I think we have the same power to deal with cable as over the air," he said, promising to carry the fight all the way to the Supreme Court. Never mind that anyone can keep pay TV at bay by not purchasing it, and that any parent who does subscribe can click on foolproof blocking devices to censor any channel. Senator Stevens's point is to intimidate MTV, Comedy Central, the satellite radio purveyors of Howard Stern and countless others from this moment on, whether he ultimately succeeds in exerting seemingly unconstitutional power over them or not.

If you can see only one of the shows that he wants to banish or launder, let me recommend the series that probably has more four-letter words, with or without participles, than any in TV history. That would be "Deadwood" on HBO. Its linguistic gait befits its chapter of American history, the story of a gold-rush mining camp in the Dakota Territory of the late 1870's. "Deadwood" is the back story of a joke like "The Aristocrats" and of everything else that is joyously vulgar in American culture and that our new Puritans want to stamp out. It's the ur-text of Vegas and hip-hop and pulp fiction. It captures with Boschian relish what freedom, by turns cruel and comic and exhilarating, looked and sounded like at full throttle in frontier America before anyone got around to building churches or a government.

Its creator is David Milch, a former Yale fraternity brother of George W. Bush and the onetime protégé of Robert Penn Warren, whose 1946 novel "All the King's Men" upends bowdlerized fairy tales about American politics just as "Deadwood" dismantles Hollywood's old sanitized Westerns. As Mr. Milch says in an interview on the DVD of the first "Deadwood" season: "It's very well documented that the obscenity of the West was striking, and that the obscenity of mining camps was unbelievable." There was "a tremendous energy to the language," he adds, but the reason this language never surfaced in movie Westerns during the genre's heyday was the Hays production code. For some 30 years starting in 1934, Hollywood's self-censorship strictures kept even married couples in separate beds on screen.

Mr. Milch has fought such codes in the past. He was a co-creator, with Steven Bochco, of the network police show, "NYPD Blue," which prompted protests in 1993 for its rude language and exposure of David Caruso's backside. That battle was won; "NYPD Blue" overcame the howls of the American Family Association and an early blackout by some ABC affiliates to become a huge hit that ended its run only this month. But it's a measure of what has happened since that now even the backside of a cartoon toddler is being pixilated in the animated series "Family Guy," on Fox. Mr. Bochco told Variety, "I don't think today we could launch or sell 'NYPD Blue' in the form that it launched 12 years ago." He's right. We're turning the clock back to the days of Hays.

This is why "Deadwood" could not be better timed. It reminds us of who we are and where we came from, and that even indecency is part of an American's birthright. It also, if inadvertently, illuminates the most insidious underpinnings of today's decency police by further reminding us that the same people who want to stamp out entertainment like "Deadwood" also want to rewrite American history (and, when they can, the news) according to their dictates of moral and political correctness. They won't tolerate an honest account of the real Deadwood in a classroom or museum any more than they will its fictionalized representation on HBO.

Lynne Cheney has taken to writing and promoting triumphalist children's history books that, as she said on Fox News recently, offer "an uncynical approach to our nation and to our national story." (So much for her own out-of-print "Deadwood"-esque novel of 1981, "Sisters," with its evocation of lesbian passions on the frontier.) That's her right. But when her taste is enforced as government policy that's another matter. The vice president's wife has used her current political clout, as The Los Angeles Times uncovered last fall, to quietly squelch a Department of Education history curriculum pamphlet for parents that didn't fit her political agenda. It's no coincidence that Senator Stevens attacked the Smithsonian Institution in the 1990's when it mounted an exhibit deromanticizing the old West, "Deadwood"-style, by calling attention to the indignities visited on women, Indians and the environment.

At a certain point political correctness on the right becomes indistinguishable from that of the left. On the Oscar telecast, Robin Williams was prohibited by ABC from delivering a satirical comic song by Marc Shaiman and Scott Wittman, the "Hairspray" songwriting team, inspired by James Dobson's attack on the "pro-homosexual activism" of the cartoon character SpongeBob SquarePants. One of the no-no's: an unflattering reference to Indian casinos in the lyric "Pocahontas is addicted to craps." If the lyric had said Pocahontas was victimized by white guys, the right would have shut the song down just as fast.

"It's a dangerous world we're living in when you get to the point that a joke about Jude Law is the most controversial thing in the Oscar show," says the TV star and standup comic Bob Saget. "I'm missing Marlon Brando's Indian wife, David Niven and the streaker." I had called Mr. Saget because he is one of the hundred or so comedians who appear in the documentary "The Aristocrats," in which another comic, Paul Provenza, and the magician-comedian Penn Jillette interview their peers about the decades-long history and countless improvisational variations on the film's eponymous joke.

The movie is a multigenerational compendium of comedians, from Phyllis Diller and Don Rickles to George Carlin, Chris Rock, Jon Stewart, Sarah Silverman and Cartman of "South Park." But the raunchiest participants are often those best known for their roles in family-friendly sitcoms on network TV: Drew Carey, Jason Alexander, Paul Reiser. I asked Mr. Saget, who starred as a lovable widower father in the long-running hit "Full House," where his own impulse to tell X-rated standup comes from. Among his reasons: "There's something about all of us that wants to push the limits of the world we're in, where you can't say anything. There's a time and a place for stuff that is freeing for people."

I'm not a particular enthusiast for dirty jokes, but that freedom is exactly what I, and I suspect others, felt when a comic with a funny voice in a bad suit broke all the rules of propriety at that Friars Roast. But it was just three days earlier at the White House that Ari Fleischer, asked to respond to a politically incorrect remark about 9/11 by another comedian, Bill Maher, warned all Americans "to watch what they say." That last week in September 2001, I've come to realize, is as much a marker in our cultural history as two weeks earlier is a marker in the history of our relations with the world. Even as we're constantly told we're in a war for "freedom" abroad, freedom in our culture at home has been under attack ever since.

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From: [redacted]
Sent: 10/16/2016 10:34:07 PM
To: jeevacation@gmail.com
Subject: Re: Trump told me

Importance: High

Send me pic of you and trump !

Sent from my iPhone

> On Oct 16, 2016, at 6:33 PM, [redacted] wrote:
>
> I was the smartest woman he had ever met he offered me a job .(based on who I was)
> Not a resume no one took me seriously but he did !!!
> He would be wise to put me on his Champaign trail my Trump story would lead him to Victory ..
> His intuition lead him to his success and his intuition would make this country great ..
>
> Sent from my iPhone

THE AM LAW LITIGATION DAILY

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Page printed from: *Litigation Daily*

White Collar Titan Reid Weingarten on Juries, Clients and the Scariest Federal Prosecutors

Jenna Greene, The Litigation Daily

September 4, 2015

Hope you never have to call Reid Weingarten. Because if you do, it means you're in a world of trouble.

The Steptoe & Johnson LLP partner is one of the country's preeminent white collar defense lawyers. His clients have included former WorldCom CEO Bernard Ebbers, former Enron chief accounting officer Richard Causey, former Tyco general counsel Mark Belnick and film director Roman Polanski, as well as Goldman Sachs CEO Lloyd Blankfein.

DAILY DICTA
JENNA GREENE

But if you do have to call him, here's a bonus: he's one of the most interesting, engaging lawyers you'll ever meet.

Weingarten spoke at length with the Litigation Daily about his practice—what it means when he wants the "smart jurors," what he says to prosecutors in their offices to convince them not to bring a case, how he and close friend Eric Holder Jr. years ago started a foundation that has helped thousands of juvenile offenders and at-risk teens.

The interview has been edited for clarity and length.

Lit Daily: A corporate executive recently told me he thought the best lawyers are as much psychologists as legal experts. Do you agree?

Reid Weingarten: Yes, yes, yes. The ratio is probably two-thirds lawyer, one-third shrink.

There are two distinct parts to my practice—the New York piece, largely CEOs and CFOs, Wall Street guys, hedge fund guys—and the D.C. piece, largely but not exclusively public official types and people who deal with public officials.

These are all big-ego, extraordinarily successful people who find themselves dramatically at odds with Uncle Sam, because typically people don't come to me unless the Justice Department wants to put them in prison for a long time and take all their money.

Sometimes their reaction is denial, sometimes shock and horror, sometimes anger, but it's always dramatic. The mission at a minimum is to get the client to understand what's happening so that he can be effective for me, in terms of my defending him.

LD: Have you ever declined to represent someone because you were so appalled by what they did?

RW: At this point, I'm in the fortunate position of turning down more cases than I take. I turn down cases for many reasons, though it's not so much that I'm appalled by the behavior.

The way I look at it is, do I bring value? Is there something about me representing the individual that adds something, as opposed to every other lawyer in town? I think if I halted, or I was so shocked or appalled or dismayed by the conduct that I'd pull my punches, I'd know that.

I break bread with the would-be client. If there's a visceral feel, either overtly or covertly, that I'm not going to want to spend time with him or her, it all factors in. There are often a variety of factors that cause me to take seriously the potential of the representation, and then I turn it down.

LD: Are conflicts much of an issue?

RW: Steptoe & Johnson is a big firm, but it's not one of the megafirms. There have probably been a dozen significant matters I got conflicted out of because of Steptoe's other representations. But I have colleagues who work at much bigger firms who are constantly getting conflicted out of representations.

I represented the CEO of Goldman Sachs, and Goldman intersects with everyone in the world. If I had nothing but Goldman-like representations, that would be an issue. But if you represent Jesse Jackson Jr. or [other] public officials, as I do, the potential for conflicts is significantly less.

LD: What agency is most likely to strike fear in the heart of defendants?

RW: The Southern District of New York is the elite prosecutor's office in the country. I don't think you'd get much dispute there. They're aggressive, they're smart, they have this enormous home court advantage. Right after them, there are several very fine, very aggressive, very talented U.S. attorneys offices like Chicago, Boston, EDVA and certainly the District of Columbia. And you can go to Topeka, Kansas, or Burlington, Vermont, and find a federal prosecutor who is very smart, has a good case and is talented in court.

In the Justice Department itself, there's the Criminal Division, and the two litigating sections—the public integrity section, where I was for 10 years, and the fraud section. They've had their ups and downs. As a defense attorney dealing with both sections regularly, you can have your hands full with either.

LD: Some of the people you've represented have been so high-profile. How much of a challenge is jury selection, and how do you handle it?

RW: By way of example, in my most recent trial I went down to New Orleans. I represented the former head of exploration for BP, who was accused of lying to Congress about how much oil was coming out of the hole after the explosion. BP had pleaded guilty to the very same conduct and paid $4 billion. That was not a positive piece.

I was told by everybody that BP was loathed in New Orleans. So now I have to pick a jury in New Orleans for the very same conduct the company pleaded guilty to. And BP had paid a zillion dollars to every fisherman and stripper in New Orleans who claimed the spill prevented them from earning a living. But now, BP was getting pissed off that they were getting ripped off, and were pulling back. In addition to being hated for killing all the pelicans and ruining tourism and fishing, now they're pulling back on their largesse.

So I have to pick a jury. We had all the consultants you can imagine. The common wisdom was, don't pick anybody close to the gulf, because anyone close to the explosion will hate BP, and don't take African-Americans because they hate fancy white lawyers from Washington, blah blah blah.

I picked a jury and I did exactly the opposite, because my gut was that a sophisticated person near the water who is familiar with the industry will appreciate how difficult it is to drill these wells. If you have 100 deep sea wells in the gulf, every once in a while, you're going to have an accident.

And there's no reason to assume that the rest of the population, no matter what their background or color, wouldn't strive to be fair. I also thought I had the upper hand in that I didn't think my client was guilty of anything, so I went against the grain.

You have standard thinking among most defense counsel on jury selection, and this is an instance where I threw it out, and the jury came back in about two seconds and acquitted. I was lucky and right.

It's interesting to see who wants the smart jurors. Sometimes prosecutors want the smart jurors, sometimes I want the smart jurors. That is an indication of who thinks they have the righteous case. When prosecutors are striking all the lawyers and accountants and college-educated people, and—in New York City this happens—they want doormen and bus drivers, what they want is to rely on visceral hatred for the target and also a visceral reliance on Uncle Sam, as opposed to the facts.

When that happens, I want to blow my brains out, because that's not how prosecutors should behave. Prosecutors always should have the righteous case, and it should only be crafty defense attorneys who want to obscure the facts. When I want the smart jurors because I think I have a righteous case, that case never should have been brought.

These days I find that to be the case many times.

LD: How do you prepare for court? Do you rehearse what you're going to say?

RW: I can't prepare that way. There are clients who say, "I want to hear your opening before you make it." I say, "Get another lawyer."

This is not good or bad, it's just Reid. I can't say the same thing twice, and I cannot read a speech. It's not how I work with information.

If I think there's a real likelihood there's going to be a trial, I'll make a file for opening, a file for closing, a file for putting the client on, and I'll make a cross-examination file for the snitch or snitches. If I'm taking a walk or kayaking in the North Atlantic or sleeping and have a thought, I'll throw notes in there. Two days before the opening, I'll go through the notes.

I'll have it largely in my head. I used to have a chocolate Lab I'd walk in the woods behind my house. I'd talk to myself, and I'd talk to Emma the chocolate Lab, and we'd try things and I'd practice my opening with her, but only with her.

The notes I toss in those files end up being what I do in court.

LD: You've been described as "almost constitutionally incapable of settling a case." Do you think that's true?

RW: No. I've had a lot of trials, but the great majority of my advocacy is done in prosecutors' offices. I'll say one or two things. One is that 'this is not a righteous case, and here's why,' and/or 'If you bring it, I'll kick your ass.' I find sometimes No. 2 is more effective, especially if it's a high-profile matter. In that sense, the case doesn't go to trial.

But Jesse Jackson Jr., for example, pleaded guilty and went to prison for couple of years. I didn't do it because I am a snitch lawyer or because I'm a rollover guy. I did it because the evidence was overwhelming, and there was no choice about it, and it was in his interest. And of course it was what he wanted to do.

I settle cases. But the people who come to me generally are people who have thought through the issues and decided there's a real chance of a scrap, and someone recommends me. Those are the people with whom I have the initial conversation, not people who are looking for an old-timer who routinely gets the best deals. Those are not the people who come to me.

LD: How do you handle losses?

RW: Do I want to throw myself off a bridge? Yeah. It's interesting psychologically—I just had this very nice win in New Orleans. I expected it, I was gratified, I'm very fond of my client, I was pleased—and three minutes later I'm done, on to the next one. When I lose, I replay the spool and second-guess myself constantly. It's hard to shake. The pain of a defeat is much greater than the joy of victory. I don't know why that is—I wish it were otherwise.

LD: Is there one win that stands out as particularly satisfying?

RW: It would be hard to separate them out. A couple come immediately to mind.

I represented a kid named Lamar Owens. He was a black Navy quarterback accused of rape by a white young woman who was his classmate. He actually moved into my house and became close friends with my son. He was acquitted of the rape charge.

I represented Ron Carey, the president of the Teamsters, during 9/11. I actually saw the second plane go into the tower. And we came back two weeks later when the court was put back together and got an acquittal. That was a huge experience.

Ted Wells [at Paul, Weiss, Rifkind, Wharton & Garrison] and I did Mike Espy together. That was probably the first huge national trial I had as a defense lawyer. Espy was a very promising former congressman from Mississippi who [Bill] Clinton made secretary of Agriculture. It was very controversial because traditional, white hidebound farmers were not crazy about Mike Espy being secretary, and he was charged with taking bribes from Don Tyson. It was a huge trial, and I think there were 35 counts of not guilty on everything. That put me in a different place. I'm friends with Espy to this day, and very close friends with Ted Wells.

LD: Do you wind up being friends with many of your clients?

RW: Some, certainly not all. For many, even when there's an acquittal, the experience is so harrowing that they want to close that chapter. To maintain a relationship with me would hamper that closure for them.

With opposing counsel—these days, that's prosecutors—one of two things happens. We become close friends or we never speak again. There's no middle ground.

LD: Tell me a little about the See Forever Foundation and how it came into existence.

RW: By accident of history, [former Attorney General] Eric Holder and I are extremely close. We grew up together in the Justice Department and had offices next to each other for many years in the public integrity section. We're like family. We used to go to Oak Hill, which was then this dreadful juvenile justice facility in Maryland, and teach and tutor in the jail.

We came to the conclusion that one-third of these kids are hopelessly gone, we can't fix them no matter what, too much damage. One-third who knows, but one-third we could fix. These were the kids with the bright eyes and quick wit, usually drug runners. We made a commitment and we started the foundation. David Domenici, the son of the senator from New Mexico, and James Forman Jr., son of the famous civil rights leader, they deserve the credit. Reid Weingarten does not. I started it. Eric had to drop by the wayside when he became the U.S. attorney [for the District of Columbia], because he had to prosecute these kids. It was an obvious conflict. He's been a supporter in his heart since then.

But David Domenici and James Forman are phenomenally gifted lawyers who for 20 years threw their lives at this. They brought Maya Angelou in. Bob Strauss of Akin Gump gave us a million bucks, and we bought a building on Ninth Street in the Shaw neighborhood. That was a huge turning point.

We took over the education at Oak Hill, turned it around, and right now it's a model for the country. We are also a large public charter school. Frankly, it's had its ups and downs. But when I put my head down for the last time and think about what I've done and not done, the See Forever experience will be one of the things that gives me the most satisfaction.

Contact Jenna Greene at jgreene@alm.com or on Twitter @jgreenejenna.

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Strange Bedfellows:
Culture, Mgggggggeet Science/Science, Meet Culture

This series will bring together cultural icons, celebrities, movie stars, directors, writers and musicians with famous scientists to talk about commonalities and differences. Each segment will be moderated by scientist/author/provocateur Lawrence Krauss, who has spent much of his career successfully crossing the chasm separating science and culture. His Origins Project at Arizona State University produced singular events in which over 3000 people would regularly attend live, and up to 500,000 people would watch the recorded events to hear dialogues and panels, to be entertained and informed.

First Season

1. Johnny Depp, Courtney Love, Michael Manson talk creativity in music versus creativity in Science with Nobel Laureates Frank Wilczek and Yuval Hoffman.
2. Woody Allen talks about the human condition with Linguist Noam Chomsky.
3. Ricky Gervais and Astronomer Royale, former President of the Royal Society, Martin Rees.
4. Sarah Silverman and Nobel Prizewinning economist Paul Krugman.
5. William Shatner and Nobel Prize winning physicists Kip Thorne/ Steve Weinberg or Elon Musk.
6. Director Werner Herzog, Cormac McCarthy, with biologist Svante Paabo.
7. Ian McEwan and physicist/writer Jana Levin or Nobel Laureate Biologist Elizabeth Blackburn.
8. Barack Obama and psychologist Steven Pinker.
9. Director Alex Garland and IT computer scientist Eric Horvitz/Larry Page
10. Actor Bill Pullman and Nobel Prizewinning economist/psychologist Danny Kahneman.

The series will bring together Krauss and the directorial team that produced the Feature Documentary *The Unbelievers.* Each episode will be shot in a beautiful location in a different city around the world. We will go where the participants live, or work.

Format will be moderated discussion. Krauss will introduce each participant and being the episode by asking some questions to provoke discussion. The participants will be encouraged whenever possible to dialogue with each other as well. We may or may not have a studio audience, and if we do, we will take one or two questions from the audience to end the program before Krauss gives concluding remarks.

The New Origins Project Presents:
Strange Bedfellows:
Culture, Meet Science/Science, Meet Culture

This series will bring together cultural icons, celebrities, movie stars, directors, writers and musicians with famous scientists to talk about commonalities and differences. Each segment will be moderated by scientist/author/provocateur Lawrence Krauss, who has spent much of his career successfully crossing the chasm separating science and culture. When at Arizona State University, the Origins Project he created and led for a decade there produced singular events in which over 3000 people would regularly attend live, and up to 500,000 people would watch the recorded events to hear dialogues and panels, to be entertained and informed.

First Season (Proposed—23 participants have already agreed in principle)

1. Johnny Depp, Courtney Love, Michael Manson talk creativity in music versus creativity in Science with Nobel Laureates Frank Wilczek and Yuval Hoffman.
2. Woody Allen talks about the human condition with Linguist Noam Chomsky.
3. Ricky Gervais and Astronomer Royale, former President of the Royal Society, Martin Rees.
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7. Ian McEwan and Nobel Laureate Biologist Elizabeth Blackburn.
8. Barack Obama and psychologist Steven Pinker.
9. Director Alex Garland and IT computer scientist Eric Horvitz/Larry Page
10. Actor Bill Pullman and Nobel Prizewinning economist/psychologist Danny Kahneman.
11. Actor/writer Stephen Fry and Psychologist Robert Sapolsky
12. Actress Andie Macdowell and Evolutionary Biologist Richard Dawkins

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Rough Budget:

Filming	$100K/episode	$1.2 Million
Venues	$50K/episode	$0.6 Million
Transportation	$15K/episode	$0.18 Million
Fees	$100K/episode	$1.2 Million
	TOTAL Production Cost	$3.18 Million

The New Origins Project Presents:
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Budget:

Filming	$100K/episode	$1.2 Million
Venues	$50K/episode	$0.6 Million
Transportation	$20K/episode	$0.24 Million
Fees	$300K/episode	$3.6 Million
Other Production costs	$30K/episode	$0.36 Million
Total	$500K/episode	$6.0 Million

Top aide of Epstein prosecutor in sex case defends former boss

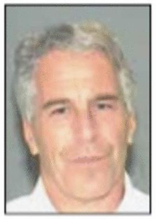
By JULIE K. BROWN
Miami Herald

MIAMI — A former top prosecutor involved in the Jeffrey Epstein sex case is defending his old boss, Alexander Acosta, whose decision to craft a secret plea deal with the wealthy New York hedge fund manager has come under federal scrutiny.

Epstein, who also has homes in Palm Beach, Fla., and New York, lives on Little St. James Island off St. Thomas.

In his first public comments on the 10-year-old case, Jeffrey H. Sloman — who at the time was second in command under Acosta at the U.S. Attorney's Office in Miami — said prosecutors resolved the case based on the facts and evidence, and what he called "legal impediments," including the belief that many of Epstein's teenage victims were too "terrified" to cooperate in the case.

"Given the obstacles we faced in fashioning a robust federal prosecution, we decided to negotiate a resolution," said Sloman, now in private practice. "We did not reach this decision lightly and it came only after significant and often rancorous internal debate."



Jeffrey Epstein

Alexander Acosta

In a lengthy opinion piece submitted to the Miami Herald Editorial Board, Sloman alleges that scrutiny of Acosta's role in the controversial case is being fueled by politically motivated critics who failed to raise significant issues with it when Acosta was nominated and confirmed as the U.S. secretary of labor in 2017.

Sloman's comments come two weeks after the Justice Department announced it had opened an investigation into whether there was prosecutorial misconduct in the case involving Epstein, who ran a sex pyramid scheme from his Palm Beach estate that targeted scores of underage girls from 2001 to 2006.

Jeffrey H. Sloman — who at the time was second in command under Alexander Acosta at the U.S. Attorney's Office in Miami — said prosecutors resolved the case based on the facts and evidence, and what he called "legal impediments," including the belief that many of Jeffrey Epstein's teenage victims were too "terrified" to cooperate in the case.

About 30 members of Congress demanded the probe following a Miami Herald series of stories, "Perversion of Justice," that detailed how federal prosecutors, led by Acosta, stitched together an unusual immunity deal that allowed Epstein to escape what could have been a life sentence in federal prison.

Instead, Epstein — whose friends included President Donald Trump, Bill Clinton and other politically connected people — was allowed to quietly plead guilty to prostitution charges in state court. He served 13 months in the county jail, where he was allowed liberal work release privileges rarely given to sex offenders in Florida and barred by the Palm Beach Sheriff's Department's own rules.

He was released in 2009, but his victims — who were 13 to 16 years old at the time — are still fighting more than a decade later to have his non-prosecution agreement overturned.

In his op-ed, Sloman called Acosta "an outstanding public servant … at risk of becoming collateral damage in Washington's latest polarized conflagration," adding, "I won't let it happen without first being heard."

"As additional details about Epstein's crimes have emerged, it is clear to me that we should have pushed for much harsher terms," Sloman wrote. "That said, some have mistakenly suggested that our office kowtowed to Epstein's high-priced defense lawyers or, worse, that his lawyers corrupted or intimidated us into submission … nothing could be further from the truth."

Sloman did not directly address the chief complaint brought by Epstein's victims, who are now in their late 20s and early 30s. Those who spoke to the Herald said they felt betrayed by federal prosecutors, who sealed the non-prosecution agreement from public view so that they wouldn't find out about it before he was sentenced. It would be almost a year before they were successful in having it unsealed. By then, it was too late to try to derail it.

They allege, in a federal lawsuit filed against the government, that prosecutors deliberately kept the deal secret — in violation of federal law — to prevent them from appearing at Epstein's sentencing to possibly undo the deal. Nor did Sloman address why prosecutors also gave immunity to a number of Epstein's co-conspirators, who have never been identified.

See **EPSTEIN,** page 8

From: Darren Indyke [redacted]
Sent: 5/10/2019 11:01:49 PM
To: jeevacation@gmail.com; Martin Weinberg [redacted]
CC: Darren Indyke [[redacted]
Subject: Acosta plea deal in Epstein sex case defended by former aide | Miami Herald
Attachments: Jeffrey Sloman-Article-201401221517.jpg; alexander-acosta-ap071010029016-cropped.jpg

Importance: High

Privileged - Redacted

https://www.miamiherald.com/latest-news/article226168500.html

Top aide of Jeffrey Epstein prosecutor Acosta: We acted with integrity

February 15, 2019 12:17 PM

Palm Beach multimillionaire Jeffrey Epstein is a free man, despite sexually abusing dozens of underage girls according to police and prosecutors. His victims have never had a voice, until now. By **Emily Michot** | **Julie K. Brown**

A former top prosecutor involved in the Jeffrey Epstein sex case is defending his old boss, Alexander Acosta, whose decision to craft a secret plea deal with the wealthy New York hedge fund manager has come under federal scrutiny.

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Miami — said prosecutors resolved the case based on the facts and evidence, and what he called "legal impediments," including the belief that many of Epstein's teenage victims were too "terrified" to cooperate in the case.

"Given the obstacles we faced in fashioning a robust federal prosecution, we decided to negotiate a resolution," said Sloman, now in private practice. "We did not reach this decision lightly and it came only after significant and often rancorous internal debate."

Jeffrey Sloman, who was second-in-command to then-U.S. Attorney Alexander Acosta when the latter was deciding whether to prosecute Jeffrey Epstein, says the office handled the case properly. Aixa Montero Holt

In a lengthy opinion piece submitted to the Miami Herald Editorial Board, Sloman alleges that the attacks on Acosta's role in the controversial case are politically driven by critics who failed to raise significant issues when Acosta was nominated and confirmed as the U.S. secretary of labor in 2017.

Sloman's comments come two weeks after the Justice Department announced it had opened an investigation over whether there was prosecutorial misconduct in the case involving Epstein, who ran a sex pyramid scheme from his Palm Beach estate that targeted scores of underage girls from 2001 to 2006.

About 30 members of Congress demanded the probe following a Miami Herald series of stories, "Perversion of Justice," that detailed how federal prosecutors, led by Acosta, stitched together an unusual immunity deal that allowed Epstein to escape what could have been a life sentence in federal prison.

U.S. Labor Secretary Alexander Acosta has been criticized for the plea deal he worked out with Jeffrey Epstein. Acosta was U.S. attorney for Southern Florida at the time. Alan Diaz

Instead, Epstein — whose friends included President Donald Trump, former President Bill Clinton and other politically connected people — was allowed to quietly plead guilty to prostitution charges in state court. He served 13 months in the county jail, where he was allowed liberal work release privileges rarely given to sex offenders in Florida and barred by the Palm Beach Sheriff's Department's own rules.

He was released in 2009, but his victims — who were 13 to 16 years old at the time — are still fighting more than a decade later to have his non-prosecution agreement overturned.

In his op-ed, Sloman called Acosta "an outstanding public servant ... at risk of becoming collateral damage in Washington's latest polarized conflagration," adding, "I won't let it happen without first being heard."

Jeffrey Epstein apologizes, but not to his victims

Jeffrey Epstein, a multimillionaire who molested dozens of underage girls, and is suspected of trafficking countless other girls around the world, issued a public apology Tuesday. It was not to the victims of his abuse, but to one of their lawyers.

“As additional details about Epstein’s crimes have emerged, it is clear to me that we should have pushed for much harsher terms,” Sloman wrote. “That said, some have mistakenly suggested that our office kowtowed to Epstein’s high-priced defense lawyers or, worse, that his lawyers corrupted or intimidated us into submission. … Nothing could be further from the truth.”

Sloman did not directly address the chief complaint brought by Epstein’s victims, who are now in their late 20s and early 30s. Those who spoke to the Herald said they felt betrayed by federal prosecutors, who sealed the non-prosecution agreement from public view so that they wouldn’t find out about it before he was sentenced. It would be almost a year before they were successful in having it unsealed. By then, it was too late to try to derail it.

They allege, in a federal lawsuit filed against the government, that prosecutors deliberately kept the deal secret — in violation of federal law — to prevent them from appearing at Epstein’s sentencing to possibly undo the deal. Nor did Sloman address why prosecutors also gave immunity to a number of Epstein’s co-conspirators, who have never been identified.

“They cut a deal which they have to know was a failure,” said Marci Hamilton, a law professor at the University of Pennsylvania and executive director of Child USA, which advocates for children’s civil liberties. “ They kept it secret and they didn’t charge the co-conspirators. The horror of this is if you don’t hold all the ‘Johns’ accountable, then it doesn’t stop. This case involved multiple girls, multiple men, multiple recruiters, multiple times and he recruited girls to get other girls. That’s a trafficking organization.”

Acosta has not commented since 2011, when he defended his decisions in a publicly issued letter that can be found in the federal court file. In it, he described what he called a “yearlong assault” on prosecutors by Epstein’s “army of legal superstars,” including Roy Black, Kenneth Starr and Alan Dershowitz, among others. In four long paragraphs, Acosta detailed how defense attorneys relentlessly worked to manipulate the negotiation process, often frustrating prosecutors.

“They would obtain concessions as part of a negotiation and agree to proceed, only to change their minds, and appeal the office’s decision to Washington,” Acosta wrote, adding that their tactics included delving into the private family lives of individual prosecutors in an effort to discredit them and get them removed from the case.

Wrote Sloman: “The Herald’s ‘Perversion of Justice’ series presented a heartrending portrait of Epstein’s victims and made a strong case that he should have gone to jail much longer, but never explained or substantiated its accusation that we schemed with Epstein’s lawyers.”

The Herald's series quoted a trove of letters and emails between prosecutors and Epstein's defense team that showed that Epstein's lawyers were allowed to dictate the terms of each deal that they drew up, and prosecutors repeatedly backed down on deadlines. The lead prosecutor, Marie Villafaña, amid the negotiations wrote to Epstein lawyer Jay Lefkowitz: "I thought we had worked very well together in resolving this dispute. ... I feel that I bent over backwards to keep in mind the effect that the agreement would have on Mr. Epstein."

Where are they now? The biggest players in the Jeffrey Epstein case

The girls who were abused by Jeffrey Epstein and the cops who championed their cause remain angry over what they regard as a gross injustice, while Epstein's employees and those who engineered his non-prosecution agreement have prospered.

The email chain also shows that prosecutors sometimes communicated with the defense team using private emails, and that their correspondence referenced discussions that they wanted to have by phone or in person so that there would be no paper trail, the Herald found. At one point, Acosta met privately with Lefkowitz, who came from the same Washington, D.C.-based law firm, at a Marriott hotel in West Palm Beach, the emails showed. It was at that meeting, the records show, when Acosta agreed to keep the deal secret.

The correspondences also show that Sloman sought several times to have Epstein's victims notified about the deal, as required under the Crime Victims Rights Act. But after Epstein's lawyers aggressively objected and appealed to Acosta, it never happened.

Sloman, however, insisted that Epstein's lawyers' aggressive defense had no bearing on the office's decision to set aside what court records show was a 53-page federal indictment it had prepared against Epstein. Sloman said the facts dictated that Epstein should plead guilty to what he called "a crime in state court that reflected his true conduct," adding that the case was "at heart, a local sex case."

"It is a gross mischaracterization to describe this as a local sex case," said lawyer Jack Scarola, a representative of several of Epstein's then-underage victims. "There was ample evidence that Epstein was operating on a large international scale. The involvement of the federal government was a consequence of evidence that children were crossing national and state borders for the purpose of prostitution."

At the time that the case was closed, FBI investigators had identified nearly 40 victims — and more were coming forward — who said they had been molested or sexually assaulted by Epstein and some of his co-conspirators. One of those victims, Courtney Wild, told the Herald that she brought at least 60 girls to his waterfront

Palm Beach estate over time. She wanted Epstein prosecuted — and was willing to testify — but prosecutors never gave her the chance, she told the Herald.

In addition, FBI records show that agents had traveled to New York and New Mexico to interview other possible victims, the Herald found. The non-prosecution deal that was struck was filed under seal. The result was that no one — not even the judge — would know the full scope of Epstein's crimes and how many victims were involved.

Acosta, who now heads a federal agency with oversight of international child labor laws and human trafficking, was personally involved in the negotiations, records, letters and emails show.

AG nominee Barr pledges to look into handling of Epstein case

Sen. Ben Sasse questioned attorney general nominee William Barr about the Jeffrey Epstein case on January 15, 2019, getting the nominee to commit to having the Department of Justice look into the handling of that case if confirmed.

By C-SPAN

Sloman reiterated Acosta's earlier contention that most of Epstein's victims wouldn't cooperate.

"So somehow, had Epstein been a child molester of one or two victims, then they would have prosecuted him?" said Wild's attorney, Brad Edwards, in an interview with the Herald for its series published in November. "But because he molested hundreds of victims and some of them wouldn't testify, then they are saying, 'we can't prosecute.' How absurd is that argument?"

Edwards tried unsuccessfully to block the plea deal in federal court. In 2008, days after Epstein was sentenced, he filed an emergency order, alleging that the agreement was illegal because it violated the Crime Victims' Rights Act, which grants crime victims certain rights, including the right to confer with prosecutors and be notified of a plea deal. The lawsuit is still pending a decade later.

"There is a reason for the Crime Victims Rights Act — so that prosecutors don't preempt a victim's ability to speak for themselves about a proposed plea bargain," Scarola said. "Here, the decision was being made secretly for them."

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Delray Beach, Florida 33484
[redacted]

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THE SEARCH FOR PEACE IN THE ARAB–ISRAELI CONFLICT

The Search for Peace in the Arab–Israeli Conflict

A Compendium of Documents and Analysis

Edited by
TERJE RØD-LARSEN
NUR LAIQ
AND FABRICE AIDAN

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United Kingdom

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First Edition published in 2014
Impression: 1

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Published in the United States of America by Oxford University Press
198 Madison Avenue, New York, NY 10016, United States of America

British Library Cataloguing in Publication Data
Data available

Library of Congress Control Number: 2014939580

ISBN 978–0–19–921610–9

Printed and bound by
CPI Group (UK) Ltd, Croydon, CR0 4YY

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Foreword and Acknowledgements

The idea of compiling an Oxford companion to the Arab–Israeli conflict was first presented to me in 2005 by Markus Bouillon, who served for me both in my UN capacity in Jerusalem and at the International Peace Institute (IPI) in New York. Nur Laiq laboriously and faithfully collected most of the relevant documents and contributed to the organization of the book and the drafting of the introduction and comments. Fabrice Aidan, a French diplomat, who served for ten years as my special assistant and political adviser in my different United Nations capacities played an instrumental role for the production of this volume. He made essential substantive inputs to the organization and compilation of the documents and the composition of the comments, throughout the book, as well as to the introduction. David Makovsky and Marwan Muasher deserve thanks for reviewing the book and for providing insightful comments.

I would like also to thank my staff at the International Peace Institute (IPI), Walter Kemp and Adam Lupel, for their editing contribution. Miklos Pinther, former chief UN cartographer, who in 2000 oversaw the delineation of the Blue Line between Israel, Lebanon and Syria, compiled and produced the maps in this volume. Finally, my executive assistant, Jilla Moazami, gave invaluable administrative support. Without these colleagues, the book would have never come to print. I am delighted that the volume came to its conclusion on the occasion of the 20th anniversary of the signing of the Oslo Accords of 1993.

I am grateful to the Government of Norway for generous support to the International Peace Institute's (IPI) Middle East program over many years.

I dedicate the book to my beloved wife, Ambassador Mona Juul, my companion in war and peace, without whom I would never have become involved in the imbroglio of the Middle East.

Terje Rød-Larsen

Paris
16 September 2013

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About the Editors

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Terje Rød-Larsen became the President of the International Peace Institute (IPI) in 2005. IPI is an independent, international not-for-profit think tank headquartered in New York, with regional offices in Vienna and Manama. IPI is dedicated to the prevention and settlement of conflict. The UN Secretary-General is the honorary chair of the board of the International Peace Institute. Concurrently, Terje Rød-Larsen is a UN Under-Secretary-General. He serves as a Special Envoy of the Secretary-General.

Terje Rød-Larsen began his career as an academic, studying history, philosophy, public administration, and sociology. He taught Sociology, Political Science, and Philosophy at the Universities of Bergen and Oslo, before establishing the Fafo Institute for Applied Sciences in Oslo in 1981.

As Director of Fafo, he initiated a research project into the living conditions of Palestinians in the West Bank and Gaza Strip. The relationships with both Palestinians and Israelis that he established during the period of preparing and implementing this project led to a request by the PLO in 1992 that he help establish a secret channel for negotiations between the PLO and the Government of Israel. Those negotiations concluded with the Oslo Accords and the signing of the Declaration of Principles at the White House on 13 September 1993.

In 1993, Mr Rød-Larsen was appointed Ambassador and Special Adviser for the Middle East Peace process to the Norwegian Foreign Minister. In mid-1994, he was appointed United Nations Under-Secretary-General, Special Coordinator for Gaza and the West Bank. In 1996, he was appointed Norwegian Cabinet Minister for Planning and Cooperation.

In 1999, he moved back to the UN as Special Coordinator for the Middle East Peace Process and Personal Representative of the Secretary-General to the Palestine Liberation Organization and the Palestinian Authority at the level of Under-Secretary-General, a post he held until December 2004. In this capacity he negotiated the Israeli withdrawal from Southern Lebanon in 2000 and established the UN line of withdrawal, the 'Blue Line'.

On 14 December 2004, he was appointed by the Secretary-General as his Special Envoy for the implementation of Security Council Resolution 1559, on Lebanon and Syria. In this capacity he negotiated the withdrawal of Syrian troops from Lebanon in 2005. He also represented the UN Secretary-General in the cease-fire negotiations during the 2006 war in Lebanon between Hezbollah and Israel.

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Nur Laiq is the author of *Talking to Arab Youth: Revolution and Counterrevolution in Egypt and Tunisia*. Nur focuses on the transitions in the Middle East and North Africa, the Israeli–Palestinian conflict and issues related to US foreign policy.

She has worked as a senior policy analyst at the International Peace Institute in New York, where she headed the Arab Youth Project. She previously worked with Labour Party members of parliament in London on foreign policy and on the European Commission's Middle East desk in Brussels. She has also worked with refugees via United Nations Refugee Agency in New Delhi. Nur has an MPhil in Modern Middle Eastern Studies from Oxford University.

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Fabrice Aidan graduated from the Écoles de Hautes Études Commerciales (HEC), Paris, School of Management in 1998. He also holds a degree in Arabic and Islamic studies from the Sorbonne University (Paris IV).

In 2000, he joined the French Ministry of Foreign Affairs and became a permanent member of the Foreign Service. He was first assigned to the Department of North Africa and the Middle East. In 2002, he served as a Diplomat at the French Mission to the United Nations in New York.

In 2003, the Government of France seconded him to the United Nations. In this capacity, he served first in Gaza/Jerusalem as the special assistant of the UN Special Coordinator for the Middle Peace Process. In 2005, he moved to UN headquarters in New York as special assistant and senior political adviser to UN Under-Secretary-General and Special Envoy of the Secretary-General, Terje Rød-Larsen, dealing with the Middle East.

In 2013, after ten years at the United Nations, he returned to the French Ministry of Foreign Affairs as senior adviser to the Director of North Africa and the Middle East.

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List of Abbreviations

AHLC	Ad Hoc Liaison Committee
ICJ	International Court of Justice
IDF	Israel Defense Forces
JLC	Joint Liaison Committee
LACC	Local Aid Coordination Committee
LAF	Lebanese Armed Forces
LAS	League of Arab States
MFO	Multinational Force and Observers
OAPEC	Organization of Arab Petroleum Exporting Countries
OIC	Organization of Islamic Cooperation
PA	Palestinian Authority
PECDAR	Palestinian Economic Council for Development and Reconstruction
PFLP	Palestinian Front for the Liberation of Palestine
PLC	Palestinian Legislative Council
PLO	Palestine Liberation Organization
SLA	South Lebanon Army
TIPH	Temporary International Presence in Hebron
UN	United Nations
UNDOF	United Nations Disengagement Observation Force
UNEF	United Nations Emergency Force
UNGA	United Nations General Assembly
UNIFIL	United Nations Interim Force in Lebanon
UNRWA	United Nations Relief and Works Agency for Palestinian Refugees in the Near East
UNSC	United Nations Security Council
UNSCO	United Nations Special Coordinator
UNSCOP	United Nations Special Committee on Palestine
UNSG	United Nations Secretary-General
UNTSO	United Nations Truce Supervision Organization

A Chronology of the Arab–Israeli Conflict

The following is a chronology of the main events in, and documents on, the Arab–Israel conflict. Documents which are included in this volume are in italics.

1914–18	First World War.
24 October 1915	Letter from British High Commissioner McMahon to Hussein bin Ali, Sharif of Mecca.
16 May 1916	*Sykes–Picot Agreement.*
2 November 1917	*Balfour Declaration.*
4–7 April 1920	4 days of violent rioting against Jews in Jerusalem.
19 April 1920	Opening of the San Remo Conference.
10 August 1920	Treaty of Sèvres, or the Peace Treaty between the Ottoman Empire and the Allies.
1–7 May 1921	Major riots in Jaffa between Jews and Arabs.
28 February 1922	Great Britain issues the Unilateral Declaration of Independence of Egypt.
3 June 1922	*Churchill White Paper.*
24 July 1922	The Council of the League of Nations confirms the British mandate in Palestine.
23 August 1929	Major riots between Muslims and Jews in Jerusalem.
24 August 1929	Hebron Massacre.
23 September 1932	Abdul-Aziz al-Saud founds the Kingdom of Saudi Arabia.
1936–1939	Arab revolt in Palestine.
7 July 1937	*Peel Commission.*
17 May 1939	*MacDonald White Paper.*
1 September 1939	Beginning of Second World War.
11 May 1942	*Biltmore Program.*
22 November 1943	Independence of Lebanon.
22 March 1945	*Arab League Charter.*
8 May 1945	End of Second World War in Europe.
26 June 1945	Signature of the United Nations Charter at the San Francisco Conference.
17 April 1946	Independence of Syria.
25 May 1946	The Emirate of Transjordan becomes the Hashemite Kingdom of Jordan.
29 November 1947	*UN General Assembly Resolution 181 (the partition plan).*
14 May 1948	*Israel declares its independence.* End of the British Mandate in Palestine.
15 May 1948	Five Arab states declare war on Israel.
29 May 1948	*UN Security Council Resolution 50 and the establishment of UNTSO.*

11 December 1948	*UN General Assembly Resolution 194.*
24 February 1949	*Egypt–Israel General Armistice Agreement.*
23 March 1949	*Lebanon–Israel General Armistice Agreement.*
3 April 1949	*Jordan–Israel General Armistice Agreement.*
27 April 1949	Opening of the Lausanne Conference convened by the United Nations' Conciliation Commission for Palestine (UNCCP).
11 May 1949	*The UN General Assembly admits Israel as UN member state through Resolution A/RES/273 (III).*
20 July 1949	*Syria–Israel General Armistice Agreement.*
12 December 1949	*UN General Assembly Resolution 303, on the Internationalization of Jerusalem.*
24 April 1950	Jordan annexes the West Bank and East Jerusalem.
5 July 1950	*Israel votes the Law of Return.*
20 July 1951	King Abdullah I of Jordan in assassinated in the vicinity of al-Aqsa Mosque in Jerusalem by a Palestinian gunman.
23 July 1952	Military coup in Egypt by the Free Officers Movement.
18 June 1953	The Revolutionary Command Council (RCC) abolishes the monarchy and proclaims the Republic of Egypt.
23 June 1956	Gamal Abdel Nasser is elected President of the Republic of Egypt.
26 July 1956	President Nasser of Egypt nationalizes the Suez Canal.
29 October 1956	Suez Crisis. Israel invades Sinai (Operation Kadesh) with the covert assent of France and the UK.
30 October 1956	France and the UK launch military operations against Egypt.
5 November 1956	*UN General Assembly Resolution 1000 (Suez Crisis).*
7 November 1956	*UN General Assembly Resolution 1001 (Suez Crisis).*
8 March 1957	Israel withdraws its last forces from the Sinai peninsula, ending the Suez Crisis.
14 July 1958	Military coup against Iraqi monarchy.
3 February 1964	The Palestinian Liberation Organisation (PLO) is established by the Arab League in Cairo, with Ahmed Shuqeiri as its leader.
16 May 1967	President Nasser asks the United Nations Emergency Force (UNEF) to leave Sinai and the Gaza Strip, where it had been engaged in peacekeeping functions since the 1956 Sinai conflict.
22 May 1967	Egypt announces a blockade against Israeli shipping in the Strait of Tiran.
5 June 1967	'Six Day War': Israel launches military strikes on Egypt, Syria, and Jordan. After six days of fighting, Israel captures the Sinai peninsula and Gaza Strip from Egypt, the West Bank and East Jerusalem from Jordan, and about 1,150 square kilometres of Syrian territory on the Golan Heights.
1 September 1967	*Khartoum Resolution of the three 'Noes'.*
22 November 1967	*UN Security Council Resolution 242.*
21 March 1968	The battle of Karameh between Israel and Fatah and Jordanian forces. First direct military confrontation between Israeli and Palestinian forces.
17 July 1968	*The Palestinian National Charter.*

2 February 1969	Yasir Arafat, leader of the Fatah Party, elected chairman of the PLO.
8 March 1969	President Nasser denounces the 1967 war cease-fire, marking the beginning of the War of Attrition against Israel.
25 September 1969	Creation of the Organization of the Islamic Conference (OIC).
3 November 1969	*Cairo Agreement.*
9 December 1969	*Rogers Plan.*
7 August 1970	War of Attrition cease-fire.
September 1970	'Black September' in Jordan. The PLO is expelled from Jordan.
28 September 1970	President Gamal Abdel Nasser dies and is replaced by Vice President Anwar al-Sadat.
16 November 1970	Syria's Minister of Defense, Hafez al-Assad, leads the 'Correctionist Movement' military coup.
12 March 1971	Hafez al-Assad is elected President of Syria in a referendum.
6 October 1973	October or Yom Kippur War. Egypt and Syria attack Israeli forces in the Sinai and the Golan Heights.
17 October 1973	OAPEC decides on an oil embargo.
22 October 1973	*UN Security Council Resolution 338.*
18 January 1974	*First Egyptian–Israeli Disengagement of Forces Agreement.*
31 May 1974	*Israel–Syria Separation of Forces Agreement.*
26–29 October 1974	Arab summit at Rabat declares the PLO the 'sole legitimate representative of the Palestinian people'.
28 October 1974	*Arab League Resolution on Palestine Liberation Organization.*
13 November 1974	PLO Chairman Arafat addresses the UN General Assembly in Geneva.
22 November 1974	*UN General Assembly Resolutions 3236 and 3237* (*PLO*).
13 April 1975	Beginning of the Lebanese Civil War.
4 September 1975	*Second Egyptian–Israel Disengagement of Forces Agreement.*
10 November 1975	*UN General Assembly Resolution 3379 (Zionism–Racism).*
May 1976	Lebanese President Suleiman Frangieh invites Syrian troops into the country.
17 May 1977	Menachem Begin's Likud Party wins Israeli national elections after 29 years of Labor Party dominance.
9 November 1977	In a speech in Cairo, President Anwar al-Sadat announces his readiness to travel to Israel.
20 November 1977	*Anwar al-Sadat and Menachem Begin speeches to the Knesset in Jerusalem.*
28 December 1977	*Prime Minister Begin's Knesset speech on Home Rule.*
14 March 1978	Operation Litany—Israel invades South Lebanon.
19 March 1978	*UN Security Council Resolutions 425 and 426* (*Lebanon*).
17 September 1978	*Camp David Accords.*
2–5 November 1978	Arab League Summit in Baghdad. Egypt suspended from the Organization. Its headquarters to be moved to Tunis.

10 December 1978	President Sadat and Prime Minister Begin are awarded jointly in Oslo the Nobel Peace Prize.
16 January 1979	Shah Mohamed Reza Pahlavi leaves Iran after months of domestic turmoil.
26 March 1979	*Signature of the Egypt–Israel Peace Treaty in the White House.*
1 April 1979	Ayatollah Khomeini proclaims the Islamic Republic of Iran after a national referendum.
2 April 1979	Prime Minister Begin visits Cairo.
February 1980	Israel and Egypt exchange Ambassadors for the first time.
30 June 1980	*UN Security Council Resolution 476 (Jerusalem).*
30 July 1980	The Knesset votes the Basic Law on Jerusalem.
20 August 1980	*UN Security Council Resolution 478 (Jerusalem).*
3 August 1981	*Signature of the Protocol to the Treaty of Peace between Israel and Egypt, establishing the Multilateral Force and Observers (MFO).*
7 August 1981	*Fahd Plan.*
6 October 1981	Assassination of President Sadat. Vice President Mubarak succeeds him.
14 December 1981	The Israel Knesset passes a law annexing the Golan Heights.
17 December 1981	*UN Security Council Resolution 497 (Golan Heights).*
25 April 1982	Israel completes its pull back from Sinai with the exception of Taba.
6 June 1982	Israel launches Operation 'Peace in Galilee'; beginning of the Lebanon war.
1 September 1982	*Reagan Peace Plan.*
9 September 1982	*Fez Peace Initiative.*
14 September 1982	Assassination of Lebanese President Beshir Gemayel.
17 September 1982	*UN Security Council Resolution 520 (Lebanon).*
17 May 1983	Israel and Lebanon sign a peace agreement.
19 February 1986	King Hussein of Jordan severs ties with the PLO.
11 April 1987	*London Agreement.*
21 May 1987	*Lebanon's parliament abrogates the 1969 Cairo agreement with the PLO and cancels the 17 May 1983 agreement with Israel.*
9 December 1987	The first Palestinian uprising (intifada) against Israeli rule in the West Bank and Gaza begins.
4 March 1988	*Shultz Plan.*
31 July 1988	*Jordan's disengagement from the West Bank.*
18 August 1988	*Hamas Charter.*
15 November 1988	*Palestinian Declaration of Independence.*
14 December 1988	The US recognizes the PLO. President Reagan authorizes the State Department to enter into a dialogue with the organization.
26 February 1989	*Israel and Egypt sign agreement returning Taba to Egypt.*
23 May 1989	President Mubarak of Egypt attends the Arab League summit in Casablanca marking the readmission of Egypt to the Arab League.
22 October 1989	*Ta'if Agreement.*

9 November 1989	Fall of the Berlin Wall.
12 March 1990	The Arab League decides to return its headquarters to Cairo.
20 June 1990	President G.H. Bush suspends dialogue with the PLO.
2 August 1990	Iraq invades Kuwait.
17 January 1991	The US launches Operation Desert Storm to liberate Kuwait.
30 April 1991	The Lebanese parliament orders the disbanding of all militias by this date. Hezbollah remains active and the South Lebanon Army (SLA) refuses to disband.
26 August 1991	The Lebanese parliament grants an amnesty for all crimes committed during the civil war, 1975–90.
18 October 1991	*Invitation to the Madrid Peace Conference. The US letters of assurance to the Palestinians and Israelis.*
30 October 1991	The Middle East Peace Conference opens in Madrid. Face-to-face bilateral talks for the first time between Israeli and Arab delegations, as well as with a joint Palestinian-Jordanian delegation.
16 December 1991	*UN General Assembly Resolution 46/86 (Zionism-Racism).*
26 December 1991	Formal dissolution of the USSR.
23 June 1992	Israeli Labor Party wins the elections. Yitzhak Rabin becomes Prime Minister.
January 1993	Secret Israeli–PLO talks begin in Oslo, and develop into full-scale official negotiations in May that year.
20 August 1993	Secret signing of the Oslo Accords in Oslo by Israeli Foreign Minister Peres, Palestinian Chief Negotiator Qorei and Norwegian Foreign Minister Holst.
9 September 1993	*Israel and the PLO exchange letters of recognition.*
13 September 1993	*Signature of the Declaration of Principles on Interim Self- Government Agreements in Washington.*
14 September 1993	*Israel–Jordan Common Agenda.*
11 October 1993	*Letter from Israel's Foreign Minister Peres to Norway's Foreign Minister Holst on the Status of East Jerusalem.*
5 November 1993	*Establishment of the AHLC.*
25 February 1994	An Israeli opens fire at the Ibrahimi Mosque or Tomb of the Patriarchs in Hebron, killing 29 Palestinians.
18 March 1994	*UN Security Council Resolution 904 on the Hebron Massacre.*
29 April 1994	*Protocol on Economic Relations between the State of Israel and the PLO (Paris Protocol).*
4 May 1994	*Gaza–Jericho Agreement.*
18 May 1994	The IDF withdraws from Gaza city and Jericho.
1 July 1994	Yasir Arafat arrives in Gaza.
25 July 1994	*Washington Declaration (Jordan–Israel peace talks).*
29 August 1994	*Agreement on Preparatory Transfer of Power and Responsibilities.*

13 September 1994	*Oslo Declaration.*
14 October 1994	Prime Minister Rabin, Chairman Yasir Arafat, and Foreign Minister Peres are awarded the Nobel Peace Prize.
26 October 1994	*Israel–Jordan Peace Treaty.*
1 November 1994	*Casablanca Declaration.*
30 November 1994	*Establishment of the LACC.*
10 December 1994	Official ceremony to present Nobel Peace Prize to Yizhak Rabin, Shimon Peres, and Yasir Arafat.
28 September 1995	*Israeli–Palestinian Interim Agreement on the West Bank and Gaza Strip: Oslo II.*
31 October 1995	*Beilin–Abu Mazen Agreement.*
4 November 1995	Prime Minister Yitzhak Rabin assassinated. Shimon Peres becomes Prime Minister.
20 January 1996	Yasir Arafat is elected president of the Palestinian Authority (PA).
25 February–4 March 1996	A series of suicide attacks by Hamas in Israel kill more than 60.
13 March 1996	*Sharm el-Sheikh Summit of Peacemakers Final Statement.*
11 April 1996	Israel launches Operation Grapes of Wrath in Lebanon.
24 April 1996	The Palestinian National Council (PNC) cancels the clauses of the Palestinian Charter that are contrary to the recognition of Israel.
26 April 1996	*Israel–Lebanon cease-fire understandings.*
4 May 1996	*Letter from Chairman Arafat to Prime Minister Peres on the Amendment to Palestinian National Charter.*
9 May 1996	*TIPH Agreement I.*
29 May 1996	Benjamin Netanyahu elected Prime Minister of Israel.
4 September 1996	*First meeting of Prime Minister Netanyahu and Chairman Arafat.*
28 September 1996	*UN Security Council Resolution 1073.*
17 January 1997	*Hebron Protocol.*
21 January 1997	*TIPH II agreement.*
21 January 1997	*Israel–Jordan QIZ agreement.*
25 September 1997	Israel's assassination attempt on Hamas leader Khaled Meshaal in Amman.
23 October 1998	*Wye River Agreement signed by Arafat and Netanyahu.*
14 December 1998	The Palestinian National Council convenes in the presence of President Clinton to reaffirm the annulling of clauses of the Palestinian Charter which denied Israel's right to exist.
7 February 1999	King Hussein of Jordan dies. Abdullah II succeeds him.
17 May 1999	Ehud Barak elected Prime Minister of Israel.
4 September 1999	*Sharm el-Sheikh Memorandum.*
5 October 1999	*Protocol Concerning Safe Passage.*

15 December 1999	President Clinton hosts summit meeting with Israel's Prime Minister Barak and Syrian Foreign Minister al-Shara, followed by rounds of peace talks in Shepherdstown, West Virginia, in January 2000.
5 March 2000	*Government of Israel's resolution to withdraw from Lebanon.*
26 March 2000	Bill Clinton and Hafez al-Assad summit in Geneva.
17 April 2000	*Letter from Israel's Foreign Minister to UN Secretary-General on Israel's withdrawal from Lebanon.*
22 May 2000	*Report of the UN Secretary-General on Implementation of Resolutions 425 and 426.*
24 May 2000	IDF completes pull-out from Lebanon.
10 June 2000	President Hafez al-Assad dies.
16 June 2000	*Second Report of the UN Secretary-General on Implementation of Resolutions 425 and 426.*
18 June 2000	*The UN Security Council confirms Israel's withdrawal from Lebanon in a Presidential Statement.*
10 July 2000	Bashar al-Assad is elected President of Syria in a nationwide referendum.
11–25 July 2000	Camp David II negotiations between Ehud Barak and Yasir Arafat.
25 July 2000	*Camp David Statement.*
28 September 2000	Likud leader Ariel Sharon's visit to the Temple Mount/Haram al-Sharif, prompting major Palestinian riots. Second Palestinian uprising (al-Aqsa Intifadah) begins.
7 October 2000	Three Israeli soldiers abducted by Hezbollah along the Blue Line.
17 October 2000	*Joint Statements at the Conclusion of the Middle East Peace Summit in Sharm el-Sheikh.*
10 December 2000	Prime Minister Barak resigns and calls for early elections.
23 December 2000	*Clinton Parameters.*
21–27 January 2001	Taba Talks.
27 January 2001	*Taba Statement.*
27 January 2001	*Moratinos Non-Paper on Taba Negotiations.*
6 February 2001	Ariel Sharon elected Prime Minister of Israel.
19 April 2001	*Jordanian–Egyptian Proposal.*
30 April 2001	*Mitchell Report.*
14 June 2001	*Palestinian–Israeli Security Implementation Work Plan (Tenet Cease-Fire Plan).*
17 October 2001	Assassination of Israel tourism minister Rehavam Zeevi in Jerusalem by militants of the PFLP.
17 February 2002	Thomas Friedman of the *New York Times* publishes interview with Crown Prince Abdullah of Saudi Arabia on his peace initiative.
12 March 2002	*UN Security Council Resolution 1397.*
28 March 2002	*Beirut Arab League Summit Declaration on the Arab Peace Initiative.*

29 March 2002	Israel launches operation Defense Shield, placing Arafat under siege in his Ramallah compound, the Muqata.
30 March 2002	*Security Council Resolution 1402.*
10 April 2002	*European Parliament votes to suspend Euro-Israeli association agreement.*
12 April 2002	The Battle of Jenin.
19 April 2002	*UN Security Council Resolution 1405 on Jenin.*
29 May 2002	*Basic Palestinian Law.*
24 June 2002	President G.W. Bush's Rose Garden speech.
27 July 2002	*Ayalon–Nusseibeh Statement of Principles.*
31 July 2002	*Report of the UN Secretary-General prepared pursuant to UN General Assembly Resolution ES-10/10 (Jenin Report).*
17 January 2003	*Outcomes of London Conference on Palestinian Reform.*
19 March 2003	US and UK invasion of Iraq.
19 March 2003	Yasir Arafat appoints Mahmoud Abbas as the first Prime Minister of the Palestinian Authority.
30 April 2003	*Performance-Based Road Map to a Permanent Two-State Solution to the Israeli–Palestinian Conflict.*
25 May 2003	*Israel's response to Road Map.*
4 June 2003	A summit is convened by President Bush in Aqaba, Jordan with Prime Ministers Sharon and Abbas, hosted by King Abdullah II.
29 June 2003	*Palestinian cease-fire statements.*
6 September 2003	Prime Minister Mahmoud Abbas resigns.
11 September 2003	*The Israeli cabinet approves removal of Yasir Arafat from the West Bank.*
5 October 2003	Ahmed Qorei appointed Prime Minister of the Palestinian Authority.
21 October 2003	*UN General Assembly Resolution ES-10/13 (Barrier).*
19 November 2003	*UN Security Council Resolution 1515* (*Quartet's Road-Map*).
24 November 2003	*Report of the UNSG pursuant to Resolution ES-10/13 (Barrier).*
1 December 2003	*The Geneva Accord: A Model Israeli–Palestinian Peace Agreement.*
8 December 2003	*UN General Assembly Resolution ES-10/14 (Barrier).*
18 December 2003	*Prime Minister Sharon's address at the Fourth Herzliyah Conference.*
14 April 2004	*Exchange of letters between Prime Minister Sharon and President Bush.*
18 April 2004	*The Disengagement Plan: General Outline.*
18 April 2004	*Rice–Weisglass Letter of Understanding.*
19 May 2004	*UN Security Council Resolution 1544.*
19 May 2004	*Letter from President Bush to King Abdullah II of Jordan.*
6 June 2004	*Israeli Cabinet Resolution Regarding the Disengagement Plan.*
9 July 2004	*Advisory Opinion of the ICJ on the Barrier.*
12 July 2004	*Olga Document.*
2 August 2004	*UN General Assembly Resolution on the ICJ Advisory Opinion on the Barrier.*

2 September 2004	*UN Security Council Resolution 1559 (Lebanon).*
11 November 2004	Yasir Arafat dies. The Executive Committee of the PLO elects Mahmoud Abbas as its leader.
14 December 2004	*Agreement between Egypt and Israel on Qualifying Industrial Zones.*
9 January 2005	Mahmoud Abbas elected President of the Palestinian Authority.
14 February 2005	Assassination of former Lebanese Prime Minister Rafic Hariri.
12 March 2005	*Aleppo Understandings.*
7 April 2005	UN Security Council Resolution 1595 establishes an International Independent Inquiry Commission (UNIIC) into the assassination of Prime Minister Hariri.
26 April 2005	Syria ends its military presence in Lebanon.
17 August–22 September 2005	Israel pulls out of the Gaza Strip.
15 November 2005	*Agreement on Movement and Access.*
4 January 2006	Israeli Prime Minister Sharon is incapacitated. Ehud Olmert becomes interim Prime Minister.
25 January 2006	Hamas wins Palestinian Legislative Council elections.
30 January 2006	*Quartet Statement on Palestinian Legislative elections.*
16 February 2006	Ismail Haniyeh of Hamas appointed Prime Minister.
17 March 2006	*Hamas Political Program.*
28 March 2006	Kadima leader Ehud Olmert wins Israeli elections.
29 March 2006	Palestinian Government led by Hamas sworn in.
30 March 2006	*Quartet Statement on Hamas.*
11 May 2006	*Palestinian Prisoners' Document.*
17 May 2006	*UN Security Council Resolution 1680 (Lebanon/Syria).*
25 June 2006	Abduction of Israeli soldier Gilad Shalit. Israel launches Operation Summer Rains in the Gaza Strip.
28 June 2006	*National Conciliation Document of the Prisoners.*
12 July 2006	Israel–Hezbollah war starts after Hezbollah attacks an Israeli patrol along the Blue Line, killing three soldiers and kidnapping two.
25 July 2006	*Seven-Point Plan of Prime Minister Siniora.*
11 August 2006	*UN Security Council Resolution 1701.*
14 August 2006	Cessation of hostilities between Israel and Lebanon.
8 February 2007	*Mecca Accord for Palestinian National Unity Government.*
17 March 2007	Palestinian Government of Unity sworn in.
17 March 2007	*Program of Palestinian Unity Government.*
29 March 2007	*Riyadh Declaration.*
15 May 2007	*Haifa Declaration.*
30 May 2007	UN Security Council Resolution 1757 establishes Special Tribunal for Lebanon (STL).
10 June 2007	Violent confrontations between Hamas and Fatah in the Gaza Strip.

13 June 2007	Shimon Peres is elected President of Israel by the Knesset.
14 June 2007	President Abbas dismisses Prime Minister Haniyeh and declares a state of emergency.
15 June 2007	Hamas takes control over the Gaza Strip in a coup, after several days of violent battles with Fatah.
15 June 2007	Salam Fayyad appointed Prime Minister of the Palestinian Authority.
30 October 2007	*UN Provisional Geographic Definition of the Shebaa Farms Area.*
27 November 2007	*Annapolis Joint Understanding.*
7 May 2008	Hezbollah militants take control of areas of Beirut.
21 May 2008	Doha agreement between Lebanese leaders brokered by Qatar.
21 May 2008	Israel and Syria announce holding indirect talks through Turkish mediation.
30 July 2008	Prime Minister Olmert announces he is not seeking re-election.
15 October 2008	Establishment of diplomatic relations between Syria and Lebanon.
16 December 2008	Last meeting of Prime Minister Olmert and President Abbas.
16 December 2008	*UN Security Council Resolution 1850 on Annapolis process.*
27 December 2008	Israel launches Operation 'Cast Lead' against Hamas.
8 January 2009	*UN Security Council Resolution 1860 on a Gaza cease-fire.*
18 January 2009	*Gaza cease-fire.*
20 February 2009	President Peres tasks Netanyahu to form a Cabinet following 10 February elections.
1 March 2009	Opening of the Special Tribunal for Lebanon (STL).
31 March 2009	Benjamin Netanyahu is sworn in as Prime Minister.
4 June 2009	*President Obama's Cairo Speech.*
14 June 2009	*Prime Minister Netanyahu's Speech at Bar Ilan University.*
25 August 2009	*Ending Occupation, Establishing the State: Fayyad Plan.*
25 September 2009	*Report of the United Nations fact finding mission on the Gaza conflict: the Goldstone report.*
31 May 2010	Gaza Flotilla Incident.
25 January 2011	Beginning of the Egyptian uprising.
11 February 2011	President Mubarak of Egypt resigns.
15 March 2011	Beginning of the Syrian uprising.
4 May 2011	In Cairo, Palestinian Authority President Abbas and Hamas leader Meshal sign a reconciliation agreement, which calls, *inter alia*, for elections in 2012.
29 July 2011	Formation of the Free Syrian Army (FSA).
2 September 2011	*Report of the Secretary-General's Panel of Inquiry on the 31 May 2010 Flotilla Incident.*
18 September 2011	*Chair's Summary of the AHLC on Palestinian Institutions' readiness for statehood.*

23 September 2011	*President Abbas's speech to the UN General Assembly on UN membership.*
31 October 2011	Palestine becomes a member of UNESCO.
6 February 2012	In Doha, Palestinian Authority President Abbas and Hamas leader Meshal sign another reconciliation agreement after the failure to implement the Cairo deal.
20 June 2012	Mohamed Morsi is sworn in as President of Egypt.
14 November 2012	Israel launches Operation 'Pillar of Defense' in Gaza.
21 November 2012	*Gaza War II: Israel and Hamas unilateral cease-fire.*
29 November 2012	*President Abbas's speech to the UN General Assembly on Palestine's status at the United Nations.*
4 December 2012	*UN General Assembly Resolution 67/19: Status of Palestine in the United Nations.*
22 January 2013	Likud Party leader Netanyahu wins parliamentary elections.
13 April 2013	Prime Minister Salam Fayyad resigns.
6 June 2013	Rami Hamdallah is sworn in as Palestinian Prime Minister.
20 June 2013	Rami Hamdallah resigns from his post.
30 June 2013	Massive demonstrations in Egypt against President Morsi.
3 July 2013	Egyptian Army removes President Morsi from power.
30 July 2013	Resumption of Israeli–Palestinian peace talks in Washington facilitated by President Obama and Secretary of State Kerry.
19 September 2013	Rami Hamdallah forms a new Palestinian Government.
16 January 2014	Opening in The Hague of the trial of the Special Tribunal for Lebanon (STL).
23 April 2014	Fatah and Hamas announce in Gaza a new reconciliation agreement calling for the formation of a national unity Government and the holding of elections.
24 April 2014	The Israeli Cabinet suspends peace talks with the Palestinians in protest to the Gaza agreement.
2 June 2014	Palestinian unity government headed by Prime Minister Rami Hamdallah is sworn in.
3 June 2014	Bashar al-Assad is re-elected President of Syria in an election whose legitimacy was widely contested.
8 June 2014	Field Marshall Abdel Fattah a-Sissi is sworn in as President of the Arab Republic of Egypt following presidential elections held 26–28 May.
12 June 2014	Three Israeli teenagers were abducted in the West Bank. The IDF found their bodies on 30 June in the vicinity of Hebron. In retaliation, Israel launched attacks against targets of Hamas and Palestinian Islamic Jihad.
2 July 2014	A Palestinian teenager was abducted and killed in Jerusalem by a group of Israelis. This triggered a series of violent clashes.
7 July 2014	Israel launches operation 'Protective Edge' against Hamas in the Gaza Strip in retaliation to rocket attacks.
26 August 2014	A ceasefire, brokered by Egypt, was reached to end hostilities between Palestinian factions and Israel in Gaza.

The Crooked Course: Step by Step on the Path to Peace

INTRODUCTION

As Immanuel Kant observed, "out of the crooked timber of humanity no straight thing was ever made." And the Middle East peace process is no exception. It runs a crooked course. This work provides a paper trail of the meandering and rocky path of the peace process. Relevant documents related to the Arab–Israeli conflict over the past century (since the Sykes–Picot Agreement of 1916) are compiled in this book. It provides an annotated and chronological overview of attempts to make peace in one of the most difficult and protracted conflicts in the world, and it includes a full set of accompanying maps specially made for this edition.

The sheer volume of such a work raises the critical problem of how to present the documents in a way that facilitates their accessibility and understanding. A simple chronological ordering would miss important connections between the documents, which are thus better grouped by common theme. To this end, we have divided the volume into five thematic Parts. Part I compiles documents related to the formal peace agreements between Israel and the Palestinians, as well as those related to Israel's unilateral disengagement from Gaza. The documents in Part II relate to the many informal peace proposals and ideas offered over the years that have served to contribute to more official processes at a later date. Part III compiles the many important United Nations documents specifically related to the question of Palestine. Part IV sets the Israeli–Palestinian issue in a broader context, providing regional papers going back a century, up to the latest documents. Finally, Part V compiles Israeli and Palestinian domestic documents relevant to the quest for peace in the Middle East.

Grouping the documents by theme highlights the evolution of particular aspects of the conflict and the peace process over time. When examined as a group, these documents provide valuable insights on the events, conditions, and actions that have been most important in influencing the different phases of the peace process.

For guidance, the reader will find a chronological overview of all the documents and key events.

ON PART I: PEACE AGREEMENTS AND THE DISENGAGEMENT FROM GAZA

Nothing about the quest for peace in the Middle East has been simple or easily attained. Merely bringing Palestinians and Israelis together was a feat that took decades to achieve. Despite all the efforts exerted by not only the principal parties, but also local actors, regional neighbors, and international players, agreements between the two sides have been scarce. This Part chronicles the rare moments when both Israeli and Palestinian negotiators put pen to paper in an effort to resolve a conflict that has seemed intractable.

Part I begins with the Oslo peace talks, which in 1993 produced the Declaration of Principles (DoP) and the mutual recognition of the State of Israel and the Palestine Liberation Organization (PLO) as the legitimate representative of the Palestinian people. These two agreements formed the basis for all subsequent talks between the parties.

In 1992, as the director of the Norwegian research institute Fafo, I initiated, together with then member of Knesset Yossi Beilin, secret talks between him and local Palestinian leader Faisal Husseini, at the American Colony Hotel in Jerusalem. These talks, which were facilitated by Fafo and the Foreign Ministry of Norway, reached a dead end later that year. The Norwegians realized that without involving the exiled and outlawed Palestinian leadership in Tunis, nothing could be accomplished. At the time, both Israeli and American citizens were forbidden to engage with any member of the PLO. In December 1992, I flew to Tunis to meet for the first time with PLO Chairman Yasir Arafat. In that meeting in his villa, in the darkness of the early morning hours, he authorized the head of Fatah's financial wing, Ahmed Qorei (alias Abu Ala), to travel to Oslo for secret talks facilitated by Fafo in cooperation with the Norwegian Foreign Ministry. The first meeting took place at Borregaard Manor outside Oslo, in January 1993.

From January to May 1993, secret talks were conducted as a pre-negotiation phase, in parallel to the Madrid process taking place in Washington. The goals of pre-negotiations in Oslo were twofold: to build trust between the Palestinian and Israeli representatives; and to explore possible parameters of an agreement. In order to reach the first goal, the exercise was restricted to a small group, willing to engage in secret intense interaction over a lengthy period. Unlike the massive delegations in Washington, the delegations in Oslo were never larger than three to five people on each side, with continued interaction often from dawn to dusk.

In Oslo, the Palestinians were represented from day one by a delegation of the PLO, handpicked by its chairman, Yasir Arafat. The rationale behind this unprecedented step was that the Norwegians had discovered that the PLO was already controlling every detail, albeit invisibly, of the bilateral and multilateral talks in Washington. Furthermore we believed that if the PLO and Yasir Arafat were not directly involved in the talks, they still had the ability and the will to block any agreement. Allowing others to reach an agreement would be tantamount to political suicide by the PLO. Therefore, it was necessary to have them at the table. Without them, no agreement could be reached.

The pre-negotiation phase ended on 1 May 1993. The talks had reached a point where both parties believed that the other was negotiating in good faith and that an agreement had to take the shape of a declaration of principles. On that date, the head of the Palestinian negotiation team, Ahmed Qorei, invited me for a walk in the hills above Oslo. He made it clear—in the most explicit of words—that the PLO would not continue into a final round of talks unless the Israelis "upgraded" their delegation to high-level officials. Up to this point, the Israelis were represented by two academics (Ron Pundak and Yair Hirschfeld) who did not hold any formal position in the government. In the following days, I flew to Israel to convey the request to Yossi Beilin, then Deputy Foreign Minister. Shortly afterwards, Foreign Minister Shimon Peres dispatched the Director General of the ministry, Uri Savir, and the head of the ministry's legal department, Joel Singer, to Oslo. The Norwegians had, until then, seen the secret talks in Oslo and their potential outcome only as possible inputs to the negotiations in Washington. We were puzzled—and pleasantly surprised—to realize that the parties now wanted to negotiate the full deal under the Oslo framework.

Indeed, in the spring of 1993 the parties started to conduct proper negotiations in Oslo—out of the public eye—rather than through the formal process in Washington. Within four months, the Declaration of Principles was initialed in a secret ceremony in the Government Guest House in Oslo. This was followed by a new set of secret negotiations in Paris, facilitated by the Norwegian team (Johan Jorgen Holst, Jan Egeland, Mona Juul, and myself). The outcome was the mutual recognition of the State of Israel and the Palestine Liberation Organization, which paved the way for the formal signing of the Oslo Accords on the White House lawn on 13 September 1993.

The Declaration of Principles was based on the approach that the easiest issues should be resolved first, with remaining issues to be addressed later, step-by-step. A Palestinian Authority for self-rule would be established, first gaining control over Gaza and Jericho, and then gradually expanding into the West Bank. The details of the expansion were to be hammered out in the so-called Oslo II Agreement, signed in Cairo on 28 September 1995.

As unique and effective as this approach proved to be, the Oslo Accords would not have been possible without the dramatic changes taking place within the international system at the time. The PLO had been financially dependent on the states of the Arab Gulf and the Communist bloc. The collapse of the Soviet Union and Arafat's support of Saddam Hussein during the Gulf War of 1991 resulted in the collapse of funding for the PLO and an end to remittances to Palestinian families in Gaza and the West Bank. Simultaneously, the first Intifada between 1987 and 1993 and the emergence of a new local leadership in Gaza and the West Bank created a threat to the leadership of the PLO in exile in Tunis. The organization needed desperately to regain its financial footing, as well as its political stature. These were major incentives to move the Organization into what was to become the Oslo process.

The Israeli leadership also had its reasons to come to the negotiating table. The rise of satellite television channels, such as CNN, beamed live images around the world of Israeli soldiers armed to the teeth combating stone-throwing kids in Gaza and the West Bank. Support for the government of Israel dropped dramatically in Europe and at home. Israelis began to feel that they were losing the moral high ground. Israeli leaders saw that using traditional military means to combat the Intifada came at a high political and moral cost. They too were in search of a political way out. In short, the Oslo channel came precisely at the right time, providing a lifeline for both the Israeli and Palestinian leaderships.

The implementation of the Declaration of Principles started in earnest in 1994, with Yasir Arafat's spectacular arrival in Gaza and the rapid establishment of the Palestinian Authority. I had the pleasure of welcoming him on behalf of UN Secretary-General Boutros Boutros-Ghali, as his newly appointed Special Coordinator for the Occupied

Territories and Personal Representative to the PLO and the Palestinian Authority at our new headquarters in Gaza city. The PLO had regained its uncontested leadership, and the Palestinian Authority received a massive financial boost with the influx of donor money from across the world. Israel received a moral boost as a large number of countries formally recognized its existence and established diplomatic relations.

A hallmark of the Declaration of Principles was the establishment of a gradual approach to resolving the conflict. *Gradualism* now became the keyword for describing the peace process. By breaking the overall goal of peace into manageable sections that could be addressed in sequence, the Oslo process allowed for progress to be made and trust to develop on less contentious issues before tackling more controversial topics like Jerusalem, borders, security arrangements, and refugees, which could threaten to derail any talks.

One of the principal advantages of the step-by-step or gradualist approach was that it enabled the parties to reach compromises through ongoing dialogue and interaction with each other by starting with the easiest issues and leaving the hardest for last. It allowed for an incremental change in perceptions and political positions. Although gradualism allowed success to be achieved in a variety of areas, moving the process forward, at each stage, depended on the parties taking the bold steps necessary to fulfill their respective commitments. The main weakness was slow movement in implementation, with progress falling behind agreed upon timelines. This led to periodic disillusionment and back-sliding.

A recurrent problem was that the parties had failed to agree on a mechanism to penalize non-compliance. This critical deficiency undermined progress. As leaders and the political climate changed, so too did the resolve to implement.

Successful gradualism required the use of ambiguous language on the most contentious issues: Jerusalem, borders, security, and refugees. The successive Israeli governments and the Palestinian leadership had substantially different views on the final status of all four of these issues. The language contained within the Oslo documents, as well as subsequent agreements, provides room for interpretation. Either side could claim that the text represents their interests. This allowed leaders to go home to their respective constituents and retain popular support.

Another practice that proved effective was the use of the annexes attached to agreements to flesh out disruptive details, or to substantially water down the impact of certain commitments made within the body of the text. In many cases the annexes are exhaustively long and detailed but are rarely read by the public, affording the leaders political space to make agreements that might otherwise face public criticism.

The three Israeli Prime Ministers who were in office from 1993 to 1999—Rabin, Peres, and Netanyahu—approached the challenges of peace through a concept of gradualism, postponing the tricky final status issues. Barak, who took office in 1999, was the first Israeli Prime Minister to address the final status head-on with a *"totalist"* approach (read below).

While the Oslo process was based on the concept of *gradualism*, characterized by bilateral negotiations—facilitated by a third party—and cumulative small steps demonstrating good faith, Ariel Sharon eventually took a contrary approach through *"uncompromising unilateralism"*. The day after he won the election in February 2001, he invited me to meet him at the King David Hotel in Jerusalem. During the course of the conversation, he surprisingly asked what I would do with the peace process if I were him. I had just re-read his autobiography, *Warrior*, and answered: "Both as a soldier and as a politician, you have a history of being bold, daunting, daring and making surprise moves. In that spirit, I would suggest that you dismantle the settlements and pull your troops completely out of Gaza." For a minute I worried that this would anger him, but he answered very calmly. "I cannot do it." I asked why. He said: "Because of the harbor." I replied, rather perplexed: "But there is no harbor in Gaza." He said: "That's not the point. They could build one if we left Gaza." Then I realized that, contrary to common opinion, Sharon had no ideological inhibitions about leaving Gaza. His concerns were only about security. This gave me high hopes that he would eventually do it. Three years of stalemate were to follow. And then in December 2003, out of the blue, Sharon made the sweeping and stunning pronouncement that Israel would leave Gaza and end its occupation of the Strip.

Ariel Sharon deserves praise for withdrawing from Gaza. But his unilateral move undermined the possibility of peaceful relations between the inhabitants of the Gaza Strip and Israel. The PLO and the Palestinian Authority were sidelined. They could not claim credit for the move, and thus had scant motivation for supporting it. Instead, militants in Gaza and the West Bank harvested all the benefits. The Disengagement plan undermined those on the Palestinian side who claimed that the negotiating table was a more efficient tool than the barrel of a gun in order to resolve the conflict.

ON PART II: PEACE PROPOSALS AND IDEAS

The formal agreements covered in Part I represent the conclusions of long and complex diplomatic processes. Part II encompasses proposals and ideas that contributed to breaking taboos and changing opinions that paved the way for precedent-setting agreements.

In the late 1970s and 1980s several plans and initiatives were put forward which maintain relevance for the future of the peace process. One idea was a comprehensive and unified Arab approach which was first proposed in the Fahd Plan (1981), and later refined in the Arab Peace Initiative of 2002. The latter peace proposal promoted by then Saudi Crown Prince Abdullah al-Saud represented a unified shift in the Arab States' approach to Israel. Where there was once rejection, the Arab peace initiative created the possibility of universal recognition of the State of Israel. All 57 countries of the Organization of Islamic Cooperation (OIC) endorsed the initiative.

The aftermath of the Gulf War of 1991 opened new opportunities to address the complex issue of peace in the Middle East. This was the backdrop for the groundbreaking Madrid Peace Conference, convened by the United States and the Soviet Union. It raised new hopes for peaceful resolution to the enduring conflicts of the region. The conference created an unprecedented platform for peace talks, based on the principle of "land for peace". The Israelis would have to cede land to their Arab adversaries in return for peace and security. The Madrid formula for organizing such talks followed a two-track approach: bilateral negotiations in Washington; and the formation of several multilateral working groups to address specific issues such as water, refugees, the economy, etc. It is worth noting that the PLO was not accepted at the negotiating table. Instead the Palestinians were represented by a joint delegation of Jordanian officials and prominent Palestinians, who allegedly were not associated with the PLO. In stark contrast to the Oslo process, the Washington talks under the Madrid formula were public and in the constant glare of the media. This resulted in the parties continuously posturing to win the favor of the complex power structures that they reported to, as well as of domestic public constituencies. However, Madrid broke the taboo of direct bilateral talks between Arabs and Israelis. Madrid failed as a process, but succeeded as a spectacular event for creating hope, and formed a springboard for the subsequent secret Oslo talks.

As noted in the comments on Part I, Oslo and all subsequent agreements were embraced by the three Israeli Prime Ministers before Ehud Barak took office in 1999. As opposed to the gradualist approach of his predecessors, Barak took the path of *totalism*, i.e. aiming at solving all remaining issues in one go. Pursuant to this approach, as he put it: “nothing is agreed until everything is agreed”. Heroically, he wanted to resolve simultaneously all matters with Lebanon, Syria, and the Palestinians, and put a final end to all conflicts.

Shortly after his election, I was invited to meet him at his home in the outskirts of Tel Aviv. He described his new approach metaphorically: “In order to resolve a problem, you need to analyze what the problem is, and define your objective. The problem at hand is that we have an ugly dog in front of us. The objective is to beautify the dog. In order to do so, you need to analyze why it is ugly. And then you see that it is the tail that makes the dog ugly. Through this analysis, our task becomes easy: by chopping off the tail we will have a beautiful dog.” And then he added sarcastically: “But I will not chop off the tail of the dog the way you Oslo people have been doing it, painfully slice by slice like a salami. We need to chop it off all in one go.”

In this spirit, in the summer of 2000 President Clinton brought the parties to the presidential estate at Camp David for marathon talks behind closed doors. The attempt failed for many reasons. First of all, a few weeks of talks did not provide ample time to address the thorniest issues (Oslo took six months of negotiation to address the least difficult issues). Other reasons were internal Palestinian disagreements and difficult interpersonal relations, in addition to a “take-it-or-leave it” approach by Israel.

Although the leaders left Camp David without diplomatic feathers in their cap, President Clinton and his team now had a clear sense of what was needed to bridge the gap between the two parties. In late December 2000, he presented what became known as the Clinton Parameters. They were a comprehensive set of American ideas on how to end the conflict. However, time was not on the side of peace. With his second term coming to an end, Clinton was unable to persuade the parties to conclude an agreement. In addition, Likud Party leader Ariel Sharon’s visit to the Temple Mount / Haram al-Sharif in September 2000 signaled the second Palestinian uprising. This reduced the room for maneuver for the Palestinian negotiators.

Following the election of George W. Bush as President of the United States, and against the backdrop of the new Intifada, Palestinian and Israeli negotiators gathered in early 2001 in the small Egyptian seaside town of Taba. They attempted, through bilateral talks, to capitalize on the basic ideas put forward by President Clinton. In spite of high hopes inspired by the Taba talks, hope was dashed by Israeli intransigence, reinforced by the violent uprising across the West Bank and Gaza, as well as internal tensions within the Palestinian leadership.

In an attempt to revive the peace process, President George W. Bush, in a speech in the Rose Garden in June 2002, took the bold step of publicly declaring support for an independent Palestinian state. However, he was convinced that Chairman Arafat was an impediment to peace, due to the continuing violence against Israelis emanating from Gaza and the West Bank. The President made further US involvement in peace negotiations contingent upon Arafat's removal from power, and the implementation of democratic reforms in the Palestinian Authority's political structure. This was consistent with Prime Minister Sharon's policies. At this time, parts of the Palestinian leadership either passively turned a blind eye to the rise of bombings in Israel, or discreetly encouraged it. Arafat became a pariah for several essential players and was isolated in his Muqata headquarters in Ramallah.

Under these dire circumstances, UN Secretary-General Kofi Annan called for a meeting in the conference room of his executive office at United Nations' Headquarters in New York with the US, Russia, and the European Union. The frustration was deep amongst all parties. Bilateral talks did not happen. Trilateral talks did not work. In response to the breakdown of the peace process, he suggested that the four actors coordinate a position to restart the process. The idea was to combine the political power of the US, Russia's credibility amongst key Arab states, the European Union's financial muscle, and the UN's legitimacy in a potent new international coalition. The UN Secretary-General coined the phrase the "Middle East Quartet" for this informal group. The Quartet met both at principals level and at the level of special envoys.

A novel approach to the imbroglio of Middle East peacemaking was launched: *multilateral unilateralism*. The concept was launched at a Quartet Envoys' working dinner at the Norwegian Ambassador's residence in Herzliya (a suburb of Tel Aviv) by US officials William Burns and David Satterfield. The idea was for the Quartet members to collectively produce an operational peace plan to be presented to the parties for implementation, without prior consultation. This resulted in the Quartet peace plan, referred to as the Road Map, which was eventually presented to the parties as an ultimatum in 2003. In other words, a unified position was imposed by a group of third parties upon the disputants—thus, *multilateral unilateralism*.

The Quartet collectively submitted the text to Palestinian Prime Minister Mahmoud Abbas. The US ambassador to Israel presented it to Israeli Prime Minister Ariel Sharon, who refused to meet with the Quartet as a whole. The Palestinian side accepted the proposals in total while the Israeli side came up with fourteen reservations.

The Oslo Accords mapped a path towards a possible peace agreement, setting up milestones to be passed along the way, and stipulating that the ride on this bumpy road would take five years. It did not define the end point of the journey, because the parties were not capable of closing the gaps between their positions at the time. The 2003 Performance-Based Road Map of the Quartet was, in many ways, the paper that concluded the Declaration of Principles of 1993, by designating the last milestone, the establishment of a Palestinian state.

However, compromises among the Quartet members led to ambiguities which gave the parties the opportunity to make radically different interpretations of their obligations under the plan. The Israeli side claimed that the Road Map called for security first—a complete end of Palestinian violence—before any negotiations could start. This strategy was called *sequentialism*. The Palestinian side, and the international community at large, supported a strategy of *parallelism* that called for progress on both security and political issues to happen in lock-step. The collision of the concepts of *parallelism* and *sequentialism* made it impossible to reach the final destination envisioned in the Road Map.

With gridlock in the formal negotiating process, civil society groups tried to take the initiative. One example of several is the Geneva Accords of December 2003 led by PLO official Yasser Abed Rabbo and former Israeli Minister Yossi Beilin.

The stalemate in the process continued until Ehud Olmert's election as Prime Minister in 2006. Through intense negotiations facilitated by US Secretary of State Condoleezza Rice and her team, the parties came close to striking a deal which would have pushed the peace process forward. However, as the end game of this phase of the negotiations, also known as the Annapolis process, unfolded, Prime Minister Olmert had to step down because of an indictment for alleged financial misconduct. At the same time also, a new wave of rockets emanating from Gaza, lead to a military operation in the Strip (Operation 'Cast Lead').

The scene and characters changed in early 2009 with the election of Barack Obama as President of the United States, and Benjamin Netanyahu as Prime Minister of Israel for a second time. Shortly after his inauguration, President Obama attempted to resuscitate the peace process with the appointment of a new high-level special envoy, Senator George Mitchell. An absolute freeze on settlements, including in Jerusalem, was made a precondition for bringing the parties to the table. This turned out to be a self-defeating proposal. For any Israeli Prime Minister, such a major move could only be the result of, and not the pre-condition for, negotiations.

During this paralysis, the Palestinian leadership looked for alternative ways of moving forward, and shifted their strategy from bilateralism to unilateralism through a bid to upgrade the Palestinian status to be on a par with the Vatican at the United Nations: that of an observer Member State in the General Assembly. This quest reached its climax during the UN General Assembly sessions of 2011 and 2012. In a speech to the General Assembly in September 2011, President Abbas called for admission of Palestine as a Member State of the United Nations. It reflected the growing frustration among the Palestinian community with the lack of progress since the end of the Annapolis process in 2008. In December 2012, the Palestinians were granted, with a large majority, state observer status at the UN.

ON PART III: UNITED NATIONS DOCUMENTS ON THE QUESTION OF PALESTINE

An accurate picture of the Israeli–Palestinian conflict must include an understanding of the role of the United Nations. Part III provides a comprehensive collection of Resolutions and documents which have significantly shaped the context of this seemingly intractable issue.

Many of the political battles related to the Arab–Israeli conflict have been fought in the halls of the United Nations. On 29 November 1947, the UN General Assembly voted Resolution 181, also known as the Partition Plan. It called for the creation of two states—one Palestinian and one Jewish.

Other key UN Resolutions include General Assembly Resolution 194 (1948), which calls for the return of Palestinian refugees; General Assembly Resolution 303 (1949), which designates Jerusalem to be placed under UN jurisdiction; and, most famously, Security Council Resolution 242 (1967), which calls on Israel to withdraw from all territory seized during the Six Day War of 1967.

Paradoxically, some of the Resolutions are seen by both parties as supporting their side of the argument. For example, in Resolution 242 the interpretation of the clause calling for "withdrawal of Israel armed forces from territories occupied in the recent conflict" has been controversially ambiguous, and the object of widely different interpretations. The key argument relates to whether the clause requires Israel to withdraw from all territory occupied in the 1967 war, or only from some parts of the territory captured. While many Resolutions have had hardly any effect, they nevertheless continue to be used as points of reference in the different attempts to resolve the conflict.

ON PART IV: REGIONAL DOCUMENTS

The Israeli–Palestinian issue cannot be seen in isolation: it affects and has been affected by broader regional dynamics and conflicts for a century. After years of colonial competition, France and the United Kingdom drew lines in the sand through the Sykes–Picot Agreement of 1916. This agreement divided the region into spheres of influence, and eventually led to the creation of new countries. In the subsequent thirty years, several programmatic initiatives were taken in the context of multiple anti-colonial campaigns for national self-determination and political sovereignty, including the quest of the Jewish people for a national homeland.

The 1948 war between Arab countries and the newly founded State of Israel resulted in the latter significantly expanding its territory beyond that allotted to it by the UN Partition Plan. This marked the beginning of more than half a century of Israeli–Arab tensions and conflicts. Gradually the focus moved from the legitimacy of the state of Israel to the country's territorial boundaries. This coincided with broadening support, not only internationally but also in Israel, for the establishment of a Palestinian state living peacefully, side by side, with the state of Israel, within mutually secured borders.

Obtaining the regional buy-in to peace with Israel began with the different armistice agreements signed in the wake of the 1948 war. While these agreements ended the war, the fighting continued to flare up as the armistice lines established were not internationally recognized borders.

The Arab–Israeli conflict came to a new head with the Six Day War in June 1967, when Israel conquered the Sinai Peninsula and the Gaza Strip from Egypt, the West Bank and East Jerusalem from Jordan, and the Golan Heights from Syria. In the aftermath, Arab nations unified their position against Israel with the Arab League

Resolution at the Khartoum Summit, which is referred to as the "Three Noes Document" due to its clause that states: "no peace with Israel, no recognition of Israel, no negotiations with it". On 6 October 1973, Syria and Egypt launched a war against Israel that ended in a political stand-off between Israel and its Arab adversaries.

In November 1977, Egyptian President Anwar al-Sadat broke Arab unity when he—in a move which stunned the world—flew to Israel and addressed the Knesset in a bid for a peaceful resolution of the Arab–Israeli conflict. Subsequently, in 1978, he signed the Camp David Accords that established a separate bilateral peace agreement with Israel.

Camp David highlighted the importance of a third-party broker. When President Sadat and his counterpart, Prime Minister Menachem Begin of Israel, reached a stalemate, US President Jimmy Carter invited the parties to his presidential estate for trilateral discussions on 5 September 1978. Three scheduled days of negotiations turned into thirteen days of frustrating and intense talks. Since these tripartite discussions were unable to break the impasse, President Carter decided to work separately with both sides. The result was an American proposal which incorporated the requirements of both parties into a single text. After lengthy negotiations on this document, President Carter's shuttle diplomacy resulted in the Camp David Accords of 17 September 1978.

In 1993, PLO Chairman Yasir Arafat followed the precedent of President Sadat and broke ranks with fellow Arab leaders by secretly and bilaterally recognizing the State of Israel and signing the Oslo Accords. The year after, building on the agreements between Israel and the PLO, King Hussein of Jordan followed suit by negotiating a bilateral peace treaty with Prime Minister Yitzhak Rabin of Israel. This culminated in a spectacular signing ceremony at the desert border crossing of Wadi Araba in August 1994. In the agreement, Israel acknowledged Jordan's historical role over Muslim holy sites in Jerusalem and agreed to recognize this role in future permanent status negotiations with the Palestinians. The two leaders also agreed on steps such as the opening of border crossings and economic cooperation.

In 1999, Labor Party leader Ehud Barak defeated incumbent Prime Minister Benjamin Netanyahu. As has been described above, the new Prime Minister broke radically with the concept of *gradualism* that had been the hallmark of negotiations between Yasir Arafat and three Israeli Prime Ministers, Yitzhak Rabin, Shimon Peres, and Benjamin Netanyahu, favoring a more comprehensive approach to the peace process. For the first half of 2000, Arafat and the Palestinians were left to wait for a Syrian peace deal that was not to come. Despite Barak offering Syrian President Hafez al-Assad 99 per cent of the Golan Heights, it still fell short of Assad's demand for a return to the 4 June 1967 lines, and the Syria track subsequently crumbled. This put Arafat on the spot: how could he now, in front of the Arab world, accept less for the Palestinians than Assad had demanded for the Syrians?

The Lebanon track fared better. It began in late 1999 with a dialogue between Prime Minister Barak and me, as the newly appointed UN Special Coordinator for the Middle East peace process. The Prime Minister confided to me that, as a part of his comprehensive quest for resolving all the conflicts that Israel had with its neighbors, he wanted to end Israel's occupation of Southern Lebanon that had started in 1978. Eventually, he conceded that only the United Nations, and not Israel alone, could delineate on a map and demarcate on the ground the line of withdrawal. Such a line had to be, to the best of the United Nations' knowledge, in conformity with Lebanon's international boundaries. On this basis, and with the consent of the parties, the UN Secretary-General could then report to the Security Council and eventually recommend that it should confirm that Israel had ended its occupation. This understanding led to an agreement for the United Nations to negotiate with the Governments of Lebanon, Syria and Israel. Through intense, difficult, and stormy tripartite negotiations over five months, the UN Secretary-General was in May 2000 able to report to the Security Council that the UN had reached an agreement with Israel, Syria, and Lebanon on a line of withdrawal (the so-called Blue Line). On this basis, it was determined that Israeli troops had left all Lebanese territory. Further, he reported that, consistent with UN requirements, Israel's Lebanese proxy, the South Lebanese Army (SLA), had been disarmed and disbanded. Subsequently, the UN Security Council confirmed the end of Israel's occupation of Southern Lebanon in fulfillment of Security Council Resolutions 425 and 426 of 1978.

In September 2004, the UN Security Council adopted Resolution 1559. Secretary-General Kofi Annan appointed me as his special envoy for its implementation. In a nutshell the resolution called for respect for Lebanon's sovereignty, territorial integrity, and political independence; the disbanding and disarming of all Lebanese and non-Lebanese militias; and the withdrawal of all foreign troops. After Israel's full withdrawal from Lebanon in 2000, the only remaining foreign troops were Syrian. Immediately after the resolution was adopted, I engaged in intense negotiations with President Assad, who until the assassination of former Prime Minister Rafic Hariri on 14 February 2005, was consistently resistant to move on the issue. On 12 March 2005, I was airborne with a small UN team, among them Fabrice Aidan, on my way to Damascus for a new round of talks with the President. Midway, the captain informed me that he was requested to change course and land in Aleppo. Afterwards I was told that the reason was to avoid the media who were waiting for the arrival of the UN team in Damascus. I was picked up at Aleppo airport by Walid Muallem, who was then Deputy Foreign Minister. He brought me to Assad's villa, where a few hours of negotiations resulted in the Aleppo understanding, which outlined Syria's military withdrawal from Lebanon with specific timelines. Assad honored his word, and ended twenty-nine years of Syrian military presence in Lebanon consistent with Resolution 1559.

What is often forgotten in the recurrent doom and gloom in the Middle East, is that the step-by-step approach, which started with the Camp David Accords of 1978, has for more than thirty years led to conflict resolution: peace between Israel and Egypt; the Oslo Accords; the mutual recognition of Israel and the PLO; the establishment of the Palestinian Authority in Gaza and the West Bank, which still functions with its presidency, cabinet, and ministries; peace between Israel and Jordan in 1994, with the recognition of borders and a long-lasting security cooperation; Israel's withdrawal from Southern Lebanon in 2000; and the subsequent Syrian military withdrawal five years later; as well as Israel's pull out from the Gaza Strip. All these steps would have been difficult, if not impossible, without the previous ones.

In 2000 the attempts to put a final end to the Syrian–Israeli and the Palestinian–Israeli conflicts both failed. This exposes the risks of a *totalist* approach to solving such conflicts. These heroic attempts, facilitated by President Bill Clinton and his team, created a crisis of expectations, leading to the second Intifada and violent confrontation between Israelis and Palestinians, with tragic loss of life on both sides. This illustrates a fundamental dilemma in the choice between a *gradualist* and a *totalist* approach. *Totalism*'s "all or nothing" approach is inherently risky. When it backfires, it easily leads to a relapse into violence. *Gradualism* is less spectacular and appealing, with its incremental and long-term approach. However, it is precisely these characteristics which make it less risky, and more successful under some circumstances.

While *totalism* failed in 2000, with tragic consequences, it nevertheless broke down a number of taboos, such as addressing explicitly the partition of Jerusalem and the issue of Palestinian refugees.

ON PART V: ISRAELI AND PALESTINIAN DOMESTIC DOCUMENTS

Part V seeks to provide a fuller context to the quest for peace in the Middle East. All politics are local, and the Arab–Israeli conflict typifies this axiom. The ability of negotiators to come to conclusions is only half the story. Documents such as the original Palestinian National Charter or Israel's Declaration of Independence shaped attitudes, policies, and action on both sides.

Furthermore, the Part includes important policy statements that signal revisions of previous policies such as Palestinian Authority Prime Minister Salam Fayyad's vision for a new Palestinian state. In August 2009, Fayyad introduced the "Program of the Thirteenth Government" (the Fayyad Plan), which established a path to develop a functional Palestinian state within a two-year time frame. The blueprint sought to establish and improve governing institutions, end Palestinian economic dependence on Israel, and enhance overall infrastructure. It was a move to create a *de facto* Palestinian state within the existing Palestinian territory, regardless of any formal recognition of such an entity. Fayyad sought proactive steps to "end the occupation, despite the occupation". He stressed it was not meant as a unilateral declaration of statehood.

Indeed, substantial developments did take place during Prime Minister Fayyad's tenure. In 2011, both the World Bank and the International Monetary Fund made statements that the Palestinian Authority was capable of running the economy of an independent state, and that it was on track to developing the necessary functions of a state.

The Middle East peace process continues to run its crooked course. There is no quick fix. Yet, as this volume demonstrates, many brave attempts have been made to bring peace to this troubled region.

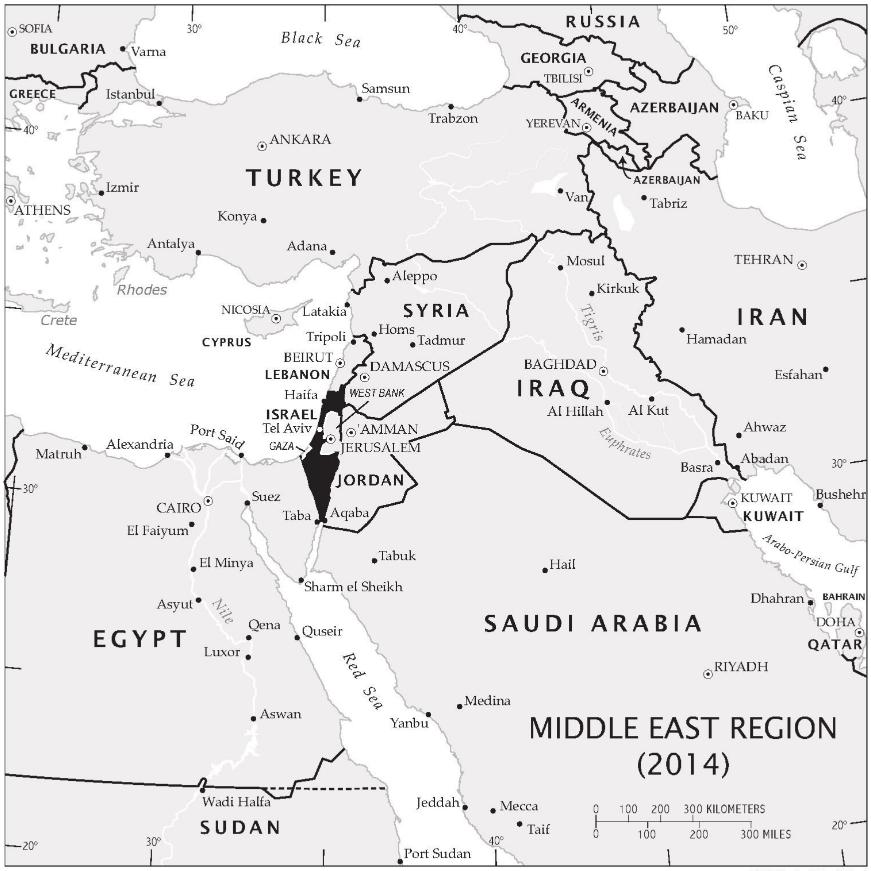
By compiling annotated documents related to the quest for peace in the Middle East, a useful record and reference tool are created. Our hope is also that this volume will inspire future students, analysts, policy makers, and negotiators to learn from, and draw on, the experiences of the past.

As we continue to move on the crooked path, no doubt, this compendium will have to be updated in the future. Hopefully, one of those additions will be a peace agreement that will eventually allow us all to close the book on the protracted conflicts in the Middle East.

Terje Rød-Larsen

Oslo
13 September 2013

Maps


MIDDLE EAST REGION
(2014)
RUSSIA
GEORGIA
TBILISI
ARMENIA
YEREVAN
AZERBAIJAN
BAKU
Caspian Sea
BULGARIA
SOFIA
Varna
Black Sea
GREECE
ATHENS
Istanbul
Samsun
Trabzon
ANKARA
TURKEY
Izmir
Konya
Antalya
Adana
Van
Tabriz
Rhodes
Crete
NICOSIA
CYPRUS
Mediterranean Sea
Aleppo
Latakia
SYRIA
Tripoli
Homs
Tadmur
BEIRUT
LEBANON
DAMASCUS
Haifa
WEST BANK
ISRAEL
Tel Aviv
GAZA
'AMMAN
JERUSALEM
JORDAN
Port Said
Alexandria
Matruh
CAIRO
El Faiyum
Suez
Taba
Aqaba
Mosul
Kirkuk
Tigris
BAGHDAD
IRAQ
Al Hillah
Al Kut
Euphrates
Basra
TEHRAN
IRAN
Hamadan
Esfahan
Ahwaz
Abadan
Bushehr
KUWAIT
Arabo-Persian Gulf
BAHRAIN
Dhahran
DOHA
QATAR
RIYADH
Tabuk
Hail
Sharm el Sheikh
El Minya
Asyut
Nile
Qena
Luxor
Quseir
Red Sea
EGYPT
SAUDI ARABIA
Medina
Yanbu
Aswan
Wadi Halfa
SUDAN
Jeddah
Mecca
Taif
Port Sudan
0 100 200 300 KILOMETERS
0 100 200 300 MILES
30°
40°
50°
20°

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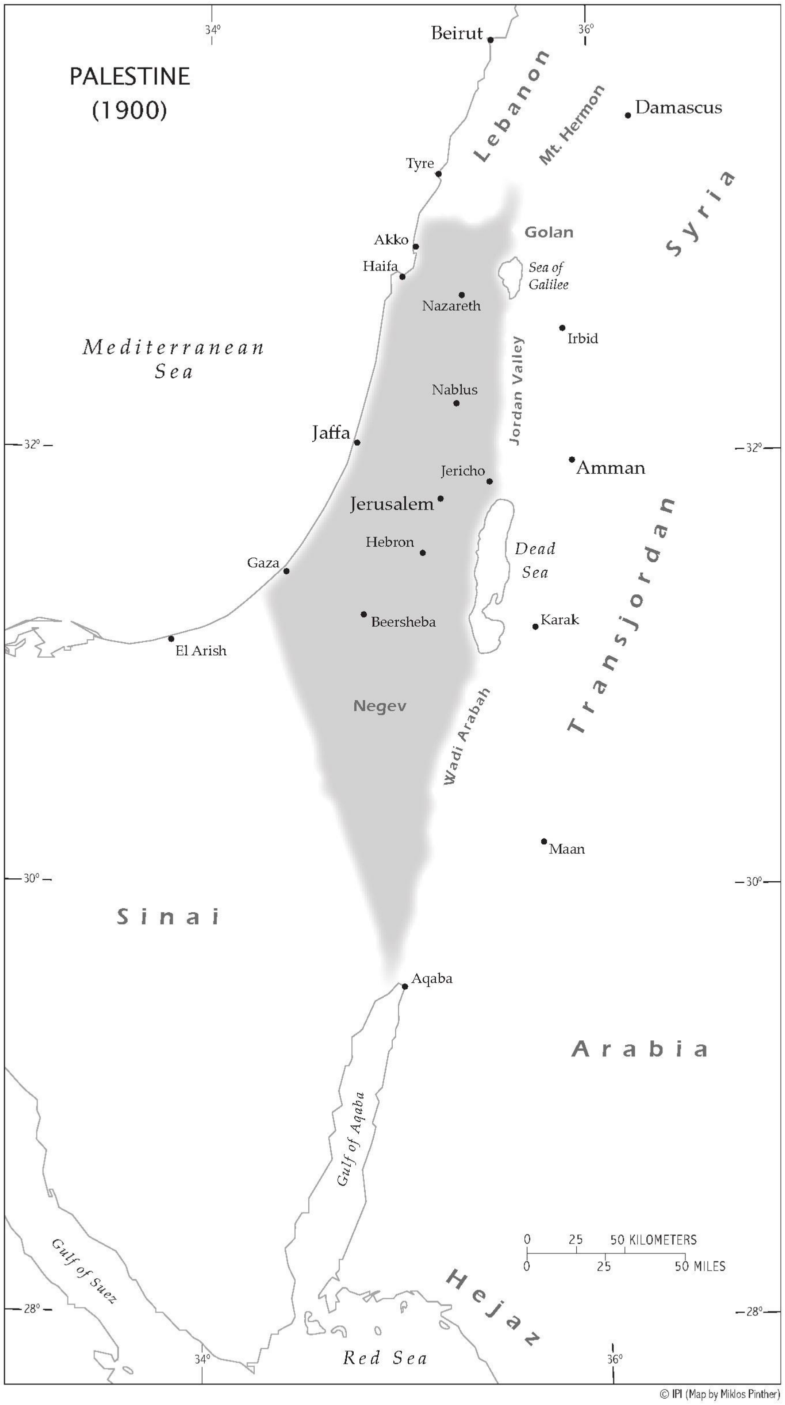
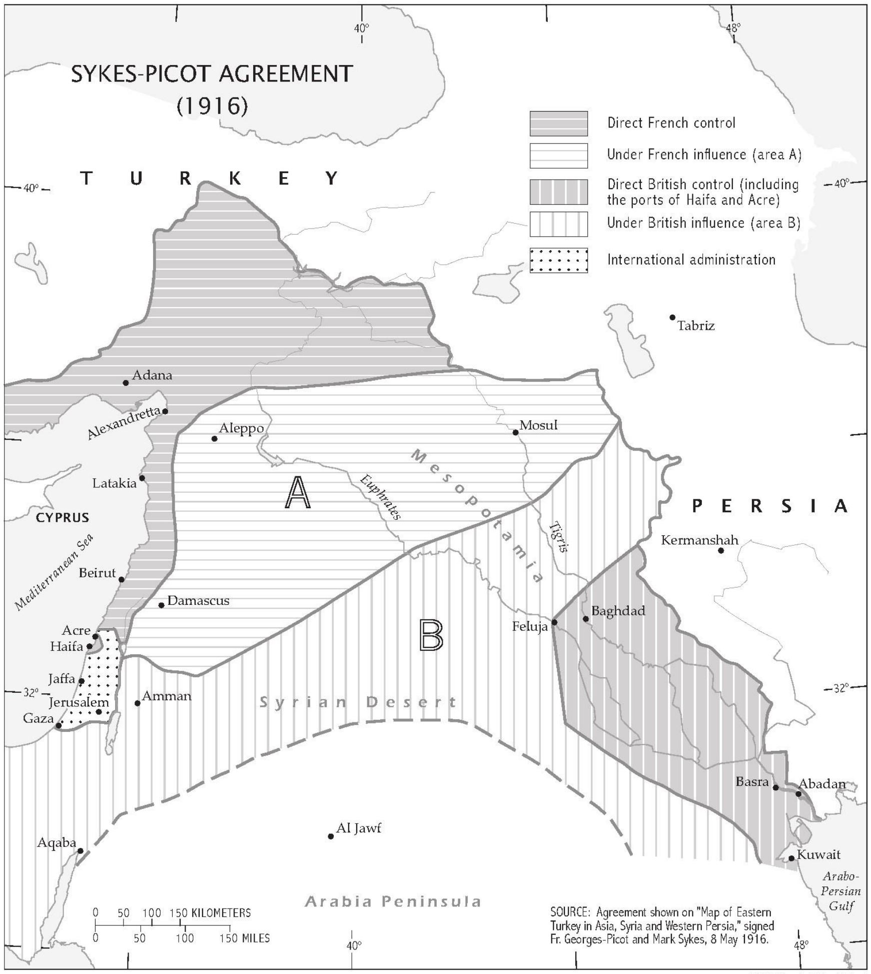
Map 1. Middle East Region 2014


PALESTINE
(1900)
34°
36°
Beirut
Lebanon
Mt. Hermon
Damascus
Tyre
Syria
Golan
Akko
Haifa
Sea of Galilee
Nazareth
Irbid
Mediterranean Sea
Jordan Valley
Nablus
Jaffa
32°
Jericho
Amman
Jerusalem
Hebron
Dead Sea
Gaza
Transjordan
Beersheba
Karak
El Arish
Negev
Wadi Arabah
Maan
30°
Sinai
Aqaba
Arabia
Gulf of Aqaba
0 25 50 KILOMETERS
0 25 50 MILES
Gulf of Suez
Hejaz
28°
Red Sea
© IPI (Map by Miklos Pinther)

Map 2. Palestine 1900


SYKES-PICOT AGREEMENT
(1916)
Direct French control
Under French influence (area A)
Direct British control (including the ports of Haifa and Acre)
Under British influence (area B)
International administration
TURKEY
PERSIA
CYPRUS
Mediterranean Sea
A
B
Mesopotamia
Euphrates
Tigris
Syrian Desert
Arabia Peninsula
Arabo-Persian Gulf
Adana
Alexandretta
Aleppo
Mosul
Tabriz
Latakia
Kermanshah
Beirut
Damascus
Baghdad
Feluja
Acre
Haifa
Jaffa
Jerusalem
Gaza
Amman
Basra
Abadan
Kuwait
Al Jawf
Aqaba
40°
48°
32°
0 50 100 150 KILOMETERS
0 50 100 150 MILES

SOURCE: Agreement shown on "Map of Eastern Turkey in Asia, Syria and Western Persia," signed Fr. Georges-Picot and Mark Sykes, 8 May 1916.

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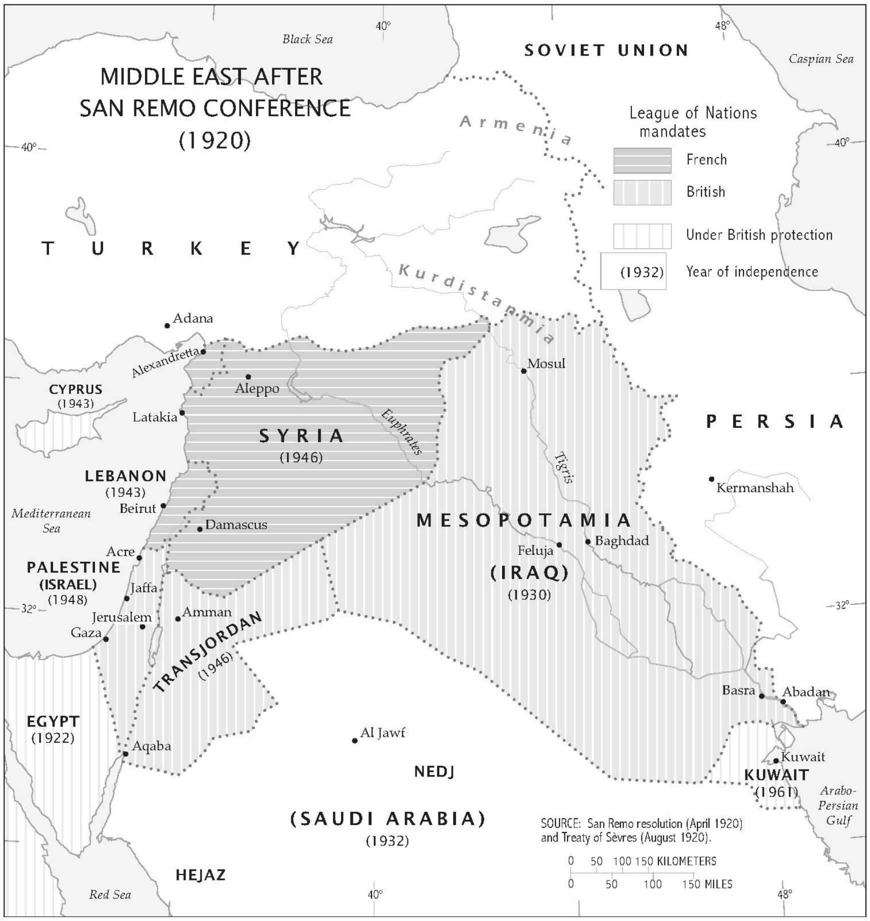
Map 3. Sykes–Picot Agreement 1916


MIDDLE EAST AFTER
SAN REMO CONFERENCE
(1920)
Black Sea
40°
48°
SOVIET UNION
Caspian Sea
Armenia
League of Nations
mandates
French
British
Under British protection
(1932) Year of independence
TURKEY
Kurdistan
Adana
Alexandretta
Aleppo
Mosul
CYPRUS
(1943)
Latakia
SYRIA
(1946)
Euphrates
Tigris
PERSIA
LEBANON
(1943)
Beirut
Kermanshah
Mediterranean
Sea
Damascus
MESOPOTAMIA
Baghdad
Feluja
Acre
PALESTINE
(ISRAEL)
(1948)
Jaffa
(IRAQ)
(1930)
32°
Jerusalem
Amman
Gaza
TRANSJORDAN
(1946)
Basra
Abadan
EGYPT
(1922)
Al Jawf
Aqaba
Kuwait
NEDJ
KUWAIT
(1961)
Arabo-
Persian
Gulf
(SAUDI ARABIA)
(1932)
HEJAZ
Red Sea
0 50 100 150 KILOMETERS
0 50 100 150 MILES

SOURCE: San Remo resolution (April 1920) and Treaty of Sèvres (August 1920).

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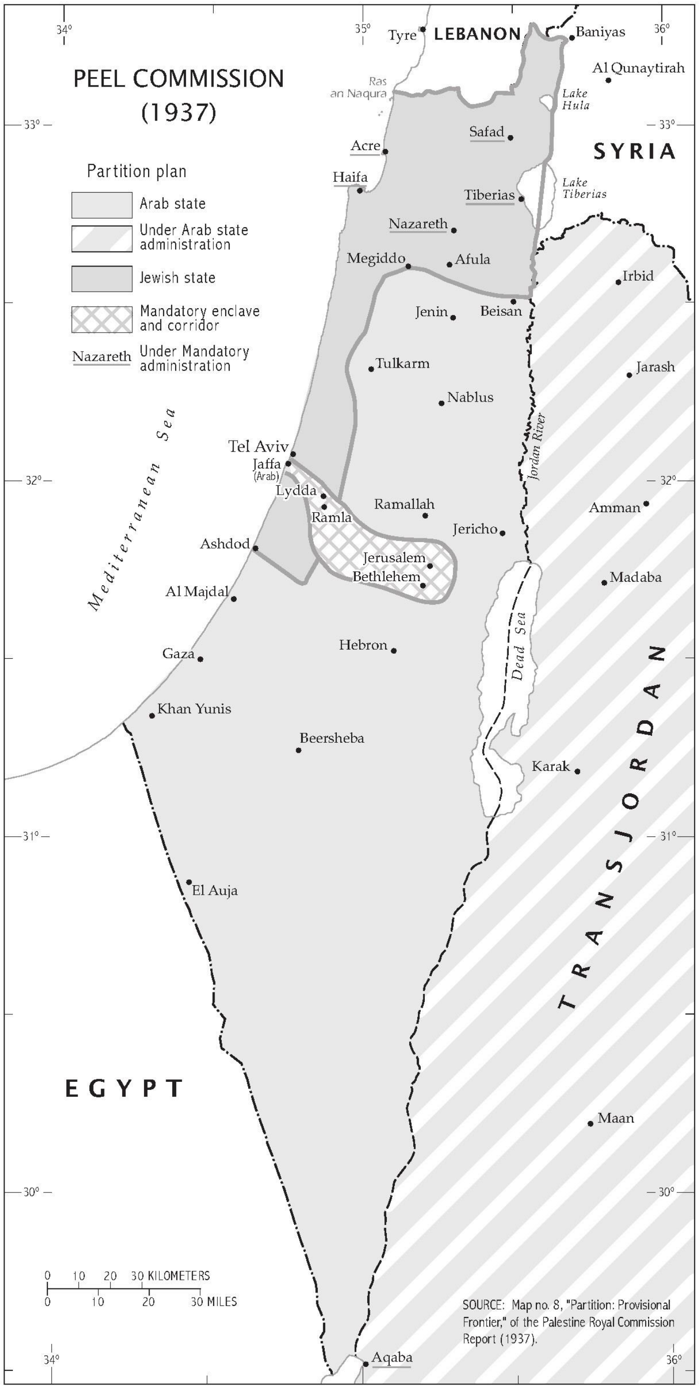
Map 4. The Middle East after the San Remo Conference of 1920


PEEL COMMISSION
(1937)
Partition plan
Arab state
Under Arab state administration
Jewish state
Mandatory enclave and corridor
Nazareth Under Mandatory administration
LEBANON
SYRIA
TRANSJORDAN
EGYPT
Mediterranean Sea
Tyre
Ras an Naqura
Baniyas
Al Qunaytirah
Lake Hula
Safad
Acre
Haifa
Lake Tiberias
Tiberias
Nazareth
Megiddo
Afula
Irbid
Jenin
Beisan
Tulkarm
Jarash
Nablus
Jordan River
Tel Aviv
Jaffa (Arab)
Lydda
Ramla
Ramallah
Amman
Jericho
Ashdod
Jerusalem
Bethlehem
Madaba
Al Majdal
Dead Sea
Gaza
Hebron
Khan Yunis
Beersheba
Karak
El Auja
Maan
Aqaba
34°
35°
36°
33°
32°
31°
30°
0 10 20 30 KILOMETERS
0 10 20 30 MILES

SOURCE: Map no. 8, "Partition: Provisional Frontier," of the Palestine Royal Commission Report (1937).

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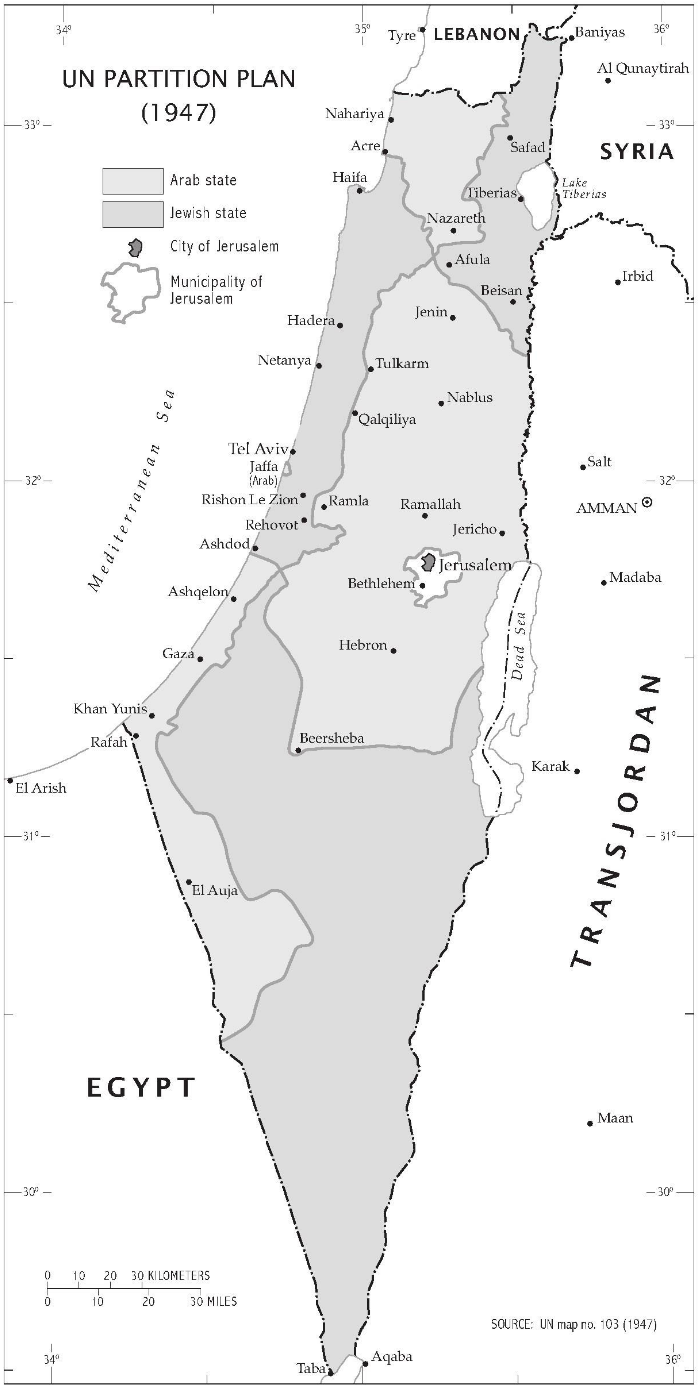
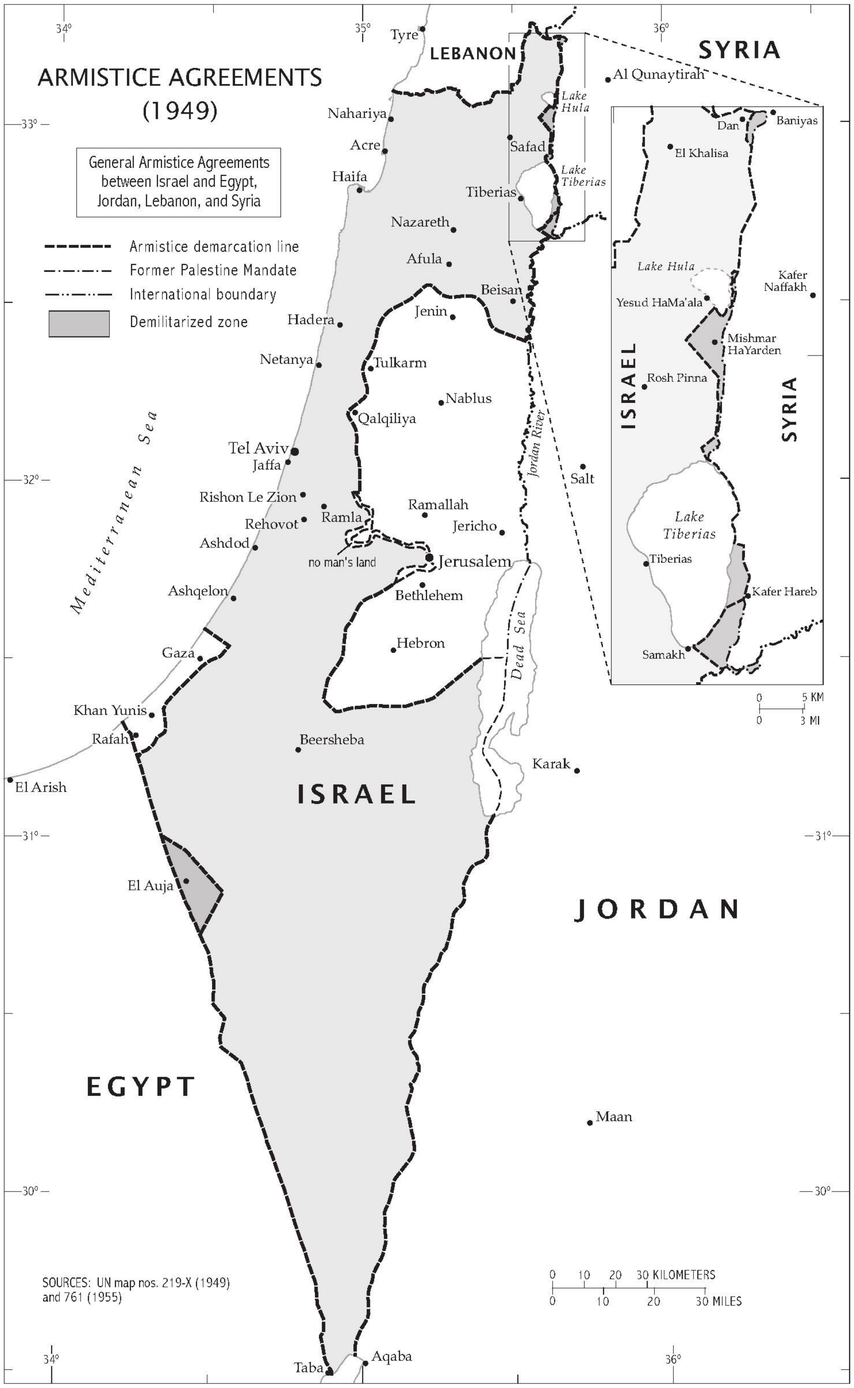
Map 5. Peel Commission 1937


UN PARTITION PLAN
(1947)
Arab state
Jewish state
City of Jerusalem
Municipality of Jerusalem
34°
35°
36°
33°
32°
31°
30°
LEBANON
SYRIA
TRANSJORDAN
EGYPT
Mediterranean Sea
Lake Tiberias
Dead Sea
Tyre
Baniyas
Al Qunaytirah
Nahariya
Acre
Safad
Haifa
Tiberias
Nazareth
Afula
Irbid
Beisan
Jenin
Hadera
Netanya
Tulkarm
Nablus
Qalqiliya
Tel Aviv
Jaffa (Arab)
Salt
Rishon Le Zion
Ramla
Ramallah
AMMAN
Rehovot
Jericho
Ashdod
Jerusalem
Madaba
Ashqelon
Bethlehem
Hebron
Gaza
Khan Yunis
Rafah
Beersheba
Karak
El Arish
El Auja
Maan
0 10 20 30 KILOMETERS
0 10 20 30 MILES
SOURCE: UN map no. 103 (1947)
Taba
Aqaba

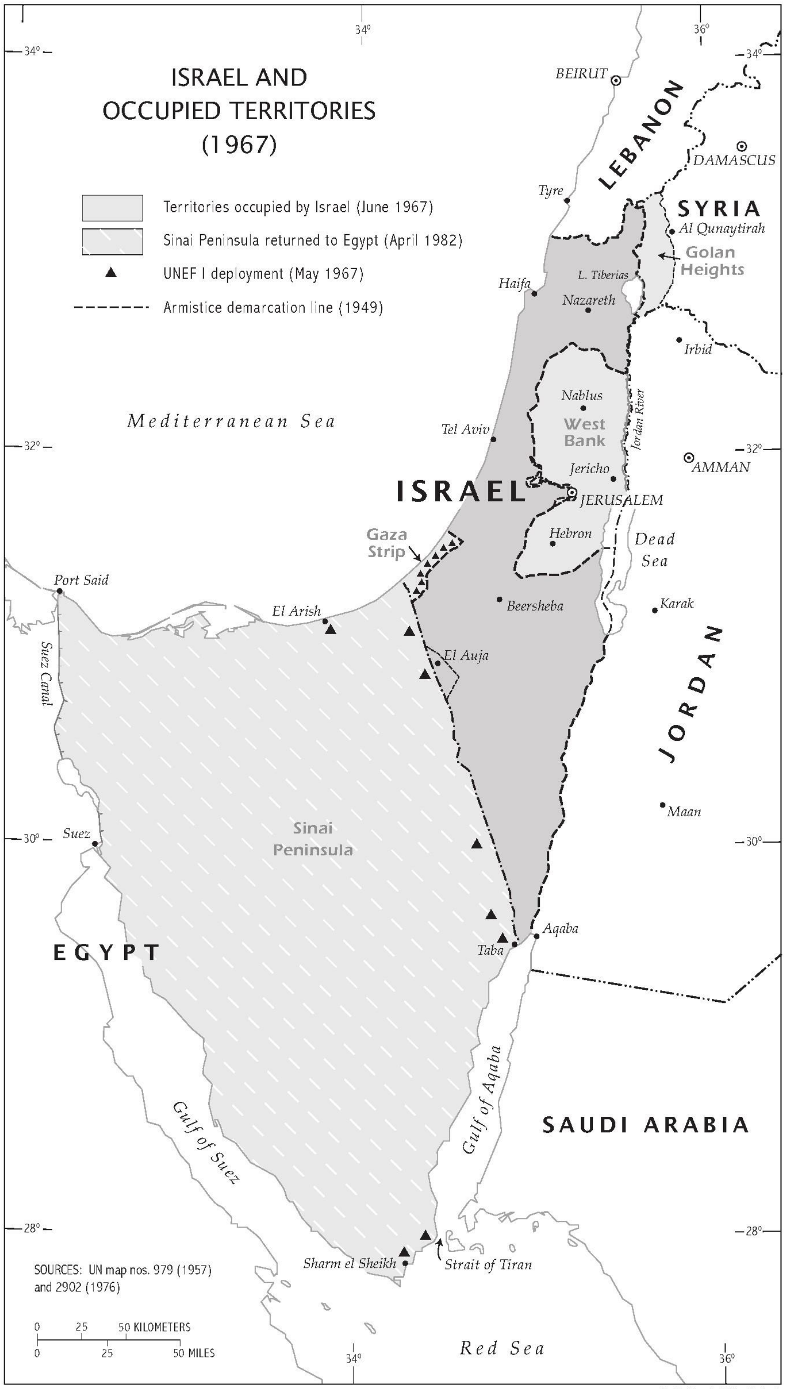
© IPI (Map by Miklos Pinther)

Map 6. Partition Plan 1947


ARMISTICE AGREEMENTS
(1949)
General Armistice Agreements between Israel and Egypt, Jordan, Lebanon, and Syria
Armistice demarcation line
Former Palestine Mandate
International boundary
Demilitarized zone
34°
35°
36°
33°
32°
31°
30°
Tyre
LEBANON
SYRIA
Al Qunaytirah
Lake Hula
Lake Tiberias
Nahariya
Acre
Haifa
Safad
Tiberias
Nazareth
Afula
Beisan
Jenin
Hadera
Netanya
Tulkarm
Nablus
Qalqiliya
Mediterranean Sea
Tel Aviv
Jaffa
Jordan River
Salt
Rishon Le Zion
Ramla
Rehovot
Ramallah
Jericho
Ashdod
no man's land
Jerusalem
Bethlehem
Ashqelon
Dead Sea
Hebron
Gaza
Khan Yunis
Rafah
Beersheba
Karak
El Arish
ISRAEL
El Auja
JORDAN
EGYPT
Maan
Taba
Aqaba
Dan
Baniyas
El Khalisa
Lake Hula
Kafer Naffakh
Yesud HaMa'ala
Mishmar HaYarden
Rosh Pinna
ISRAEL
SYRIA
Lake Tiberias
Tiberias
Kafer Hareb
Samakh
0 5 KM
0 3 MI
0 10 20 30 KILOMETERS
0 10 20 30 MILES
SOURCES: UN map nos. 219-X (1949) and 761 (1955)

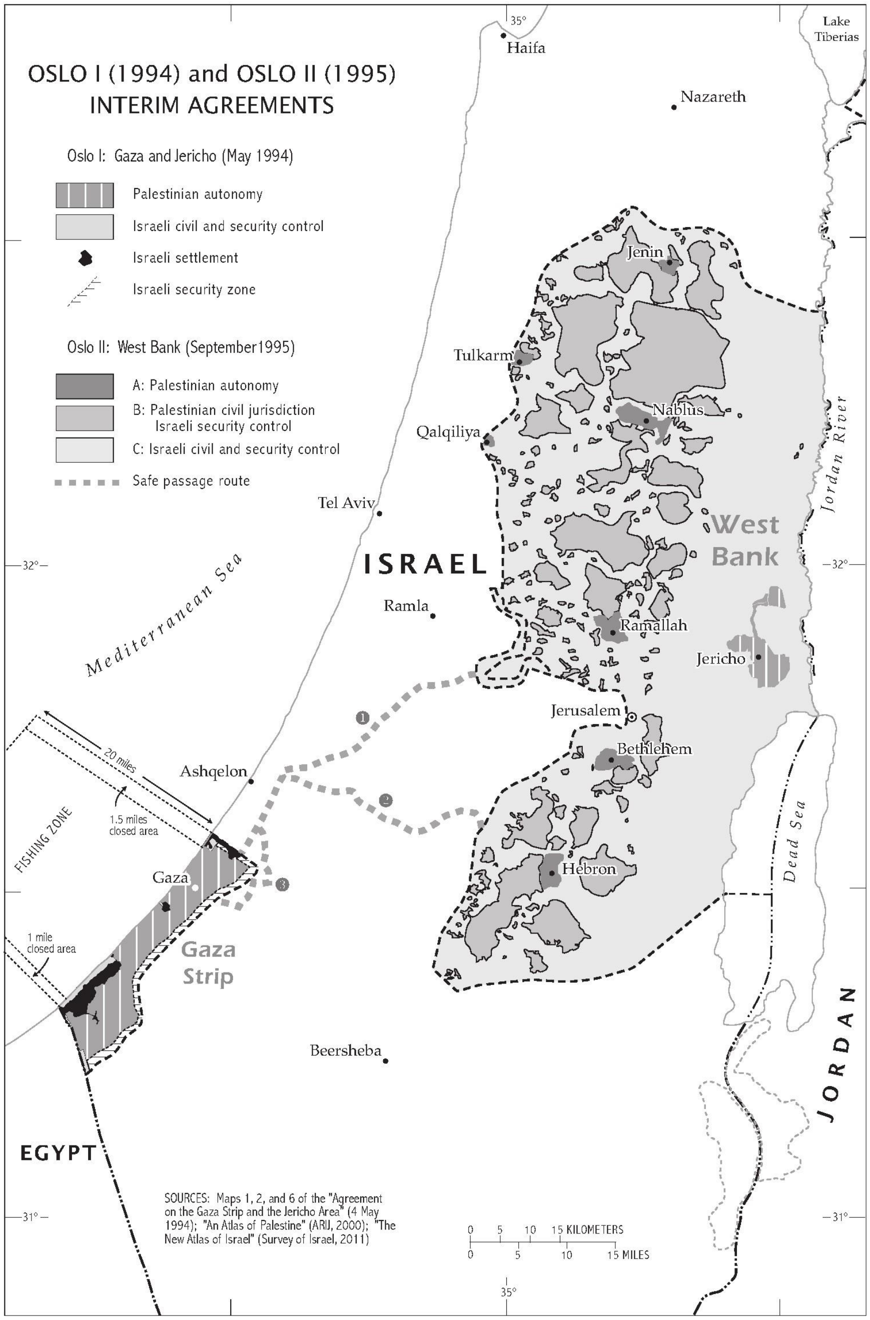
© IPI (Map by Miklos Pinther)

Map 7. Armistice Agreements 1949


ISRAEL AND
OCCUPIED TERRITORIES
(1967)
Territories occupied by Israel (June 1967)
Sinai Peninsula returned to Egypt (April 1982)
▲ UNEF I deployment (May 1967)
Armistice demarcation line (1949)
34°
36°
32°
30°
28°
BEIRUT
LEBANON
DAMASCUS
SYRIA
Tyre
Al Qunaytirah
Golan Heights
L. Tiberias
Haifa
Nazareth
Irbid
Nablus
West Bank
Jordan River
Mediterranean Sea
Tel Aviv
AMMAN
Jericho
ISRAEL
JERUSALEM
Gaza Strip
Hebron
Dead Sea
Port Said
El Arish
Beersheba
Karak
El Auja
Suez Canal
JORDAN
Maan
Suez
Sinai Peninsula
Aqaba
Taba
EGYPT
Gulf of Aqaba
SAUDI ARABIA
Gulf of Suez
Sharm el Sheikh
Strait of Tiran
SOURCES: UN map nos. 979 (1957) and 2902 (1976)
0 25 50 KILOMETERS
0 25 50 MILES
Red Sea

© IPI (Map by Miklos Pinther)

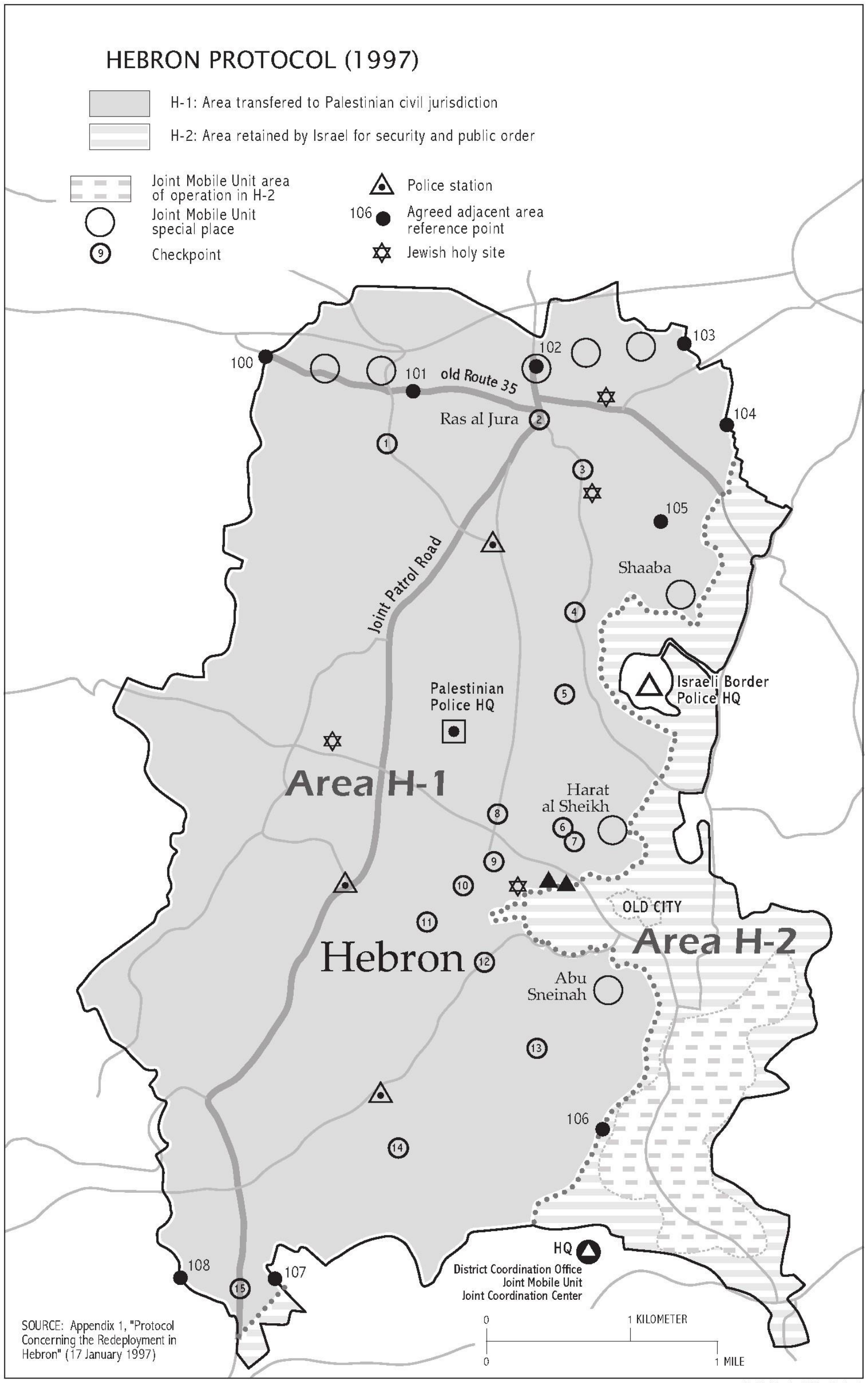
Map 8. Israel and the Occupied Territories 1967


OSLO I (1994) and OSLO II (1995)
INTERIM AGREEMENTS
Oslo I: Gaza and Jericho (May 1994)
Palestinian autonomy
Israeli civil and security control
Israeli settlement
Israeli security zone
Oslo II: West Bank (September1995)
A: Palestinian autonomy
B: Palestinian civil jurisdiction Israeli security control
C: Israeli civil and security control
Safe passage route
35°
Haifa
Lake Tiberias
Nazareth
Jenin
Tulkarm
Nablus
Qalqiliya
Jordan River
Tel Aviv
West Bank
ISRAEL
32°
Mediterranean Sea
Ramla
Ramallah
Jericho
Jerusalem
Bethlehem
20 miles
1.5 miles closed area
FISHING ZONE
Ashqelon
Gaza
Hebron
Dead Sea
1 mile closed area
Gaza Strip
JORDAN
Beersheba
EGYPT
31°
0 5 10 15 KILOMETERS
0 5 10 15 MILES

SOURCES: Maps 1, 2, and 6 of the "Agreement on the Gaza Strip and the Jericho Area" (4 May 1994); "An Atlas of Palestine" (ARIJ, 2000); "The New Atlas of Israel" (Survey of Israel, 2011)

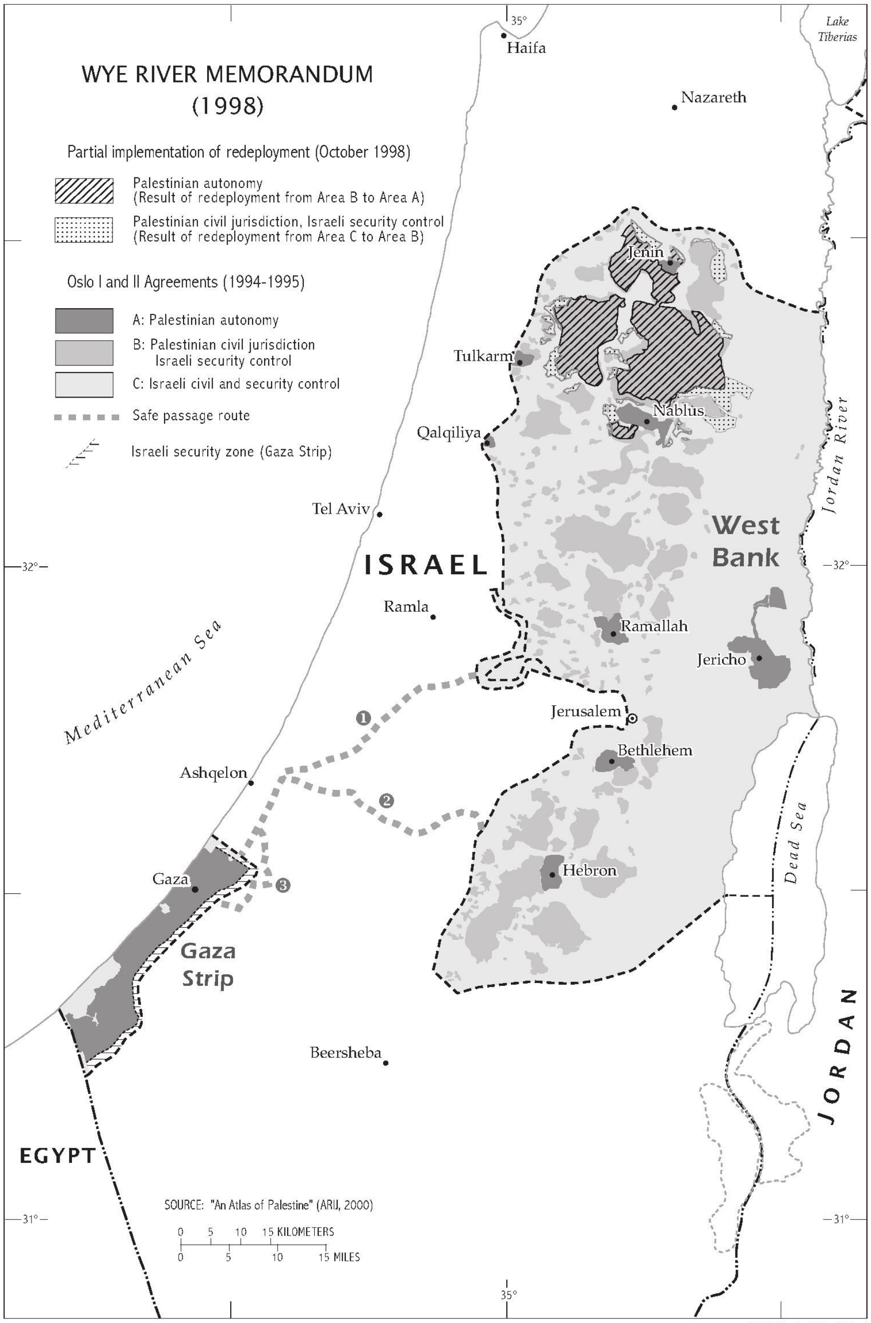
© IPI (Map by Miklos Pinther)

Map 9. Oslo Accords 1994


HEBRON PROTOCOL (1997)
H-1: Area transfered to Palestinian civil jurisdiction
H-2: Area retained by Israel for security and public order
Joint Mobile Unit area of operation in H-2
Joint Mobile Unit special place
9 Checkpoint
Police station
106 Agreed adjacent area reference point
Jewish holy site
100
101
old Route 35
102
103
104
105
Ras al Jura
Joint Patrol Road
Shaaba
Israeli Border Police HQ
Palestinian Police HQ
Area H-1
Harat al Sheikh
OLD CITY
Area H-2
Hebron
Abu Sneinah
106
107
108
HQ
District Coordination Office
Joint Mobile Unit
Joint Coordination Center
0
1 KILOMETER
0
1 MILE
SOURCE: Appendix 1, "Protocol Concerning the Redeployment in Hebron" (17 January 1997)

© IPI (Map by Miklos Pinther)

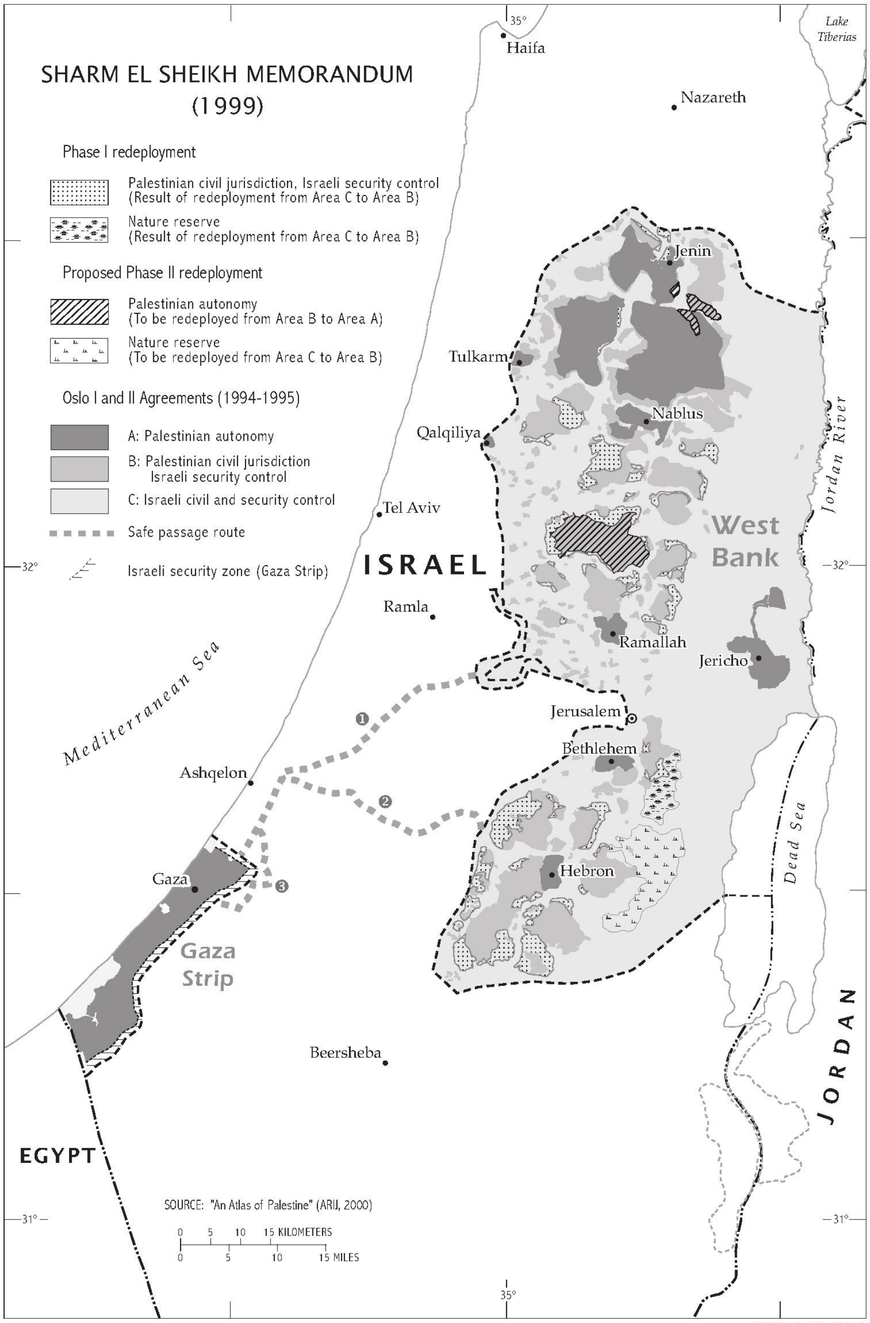
Map 10. Hebron Protocol 1997


WYE RIVER MEMORANDUM
(1998)
Partial implementation of redeployment (October 1998)
▨ Palestinian autonomy
(Result of redeployment from Area B to Area A)
Palestinian civil jurisdiction, Israeli security control
(Result of redeployment from Area C to Area B)
Oslo I and II Agreements (1994-1995)
A: Palestinian autonomy
B: Palestinian civil jurisdiction
Israeli security control
C: Israeli civil and security control
Safe passage route
Israeli security zone (Gaza Strip)
35°
Haifa
Lake Tiberias
Nazareth
Jenin
Tulkarm
Nablus
Qalqiliya
Jordan River
Tel Aviv
West Bank
ISRAEL
32°
Ramla
Ramallah
Jericho
Mediterranean Sea
❶
Jerusalem
Bethlehem
Ashqelon
❷
Gaza
❸
Hebron
Dead Sea
Gaza Strip
JORDAN
Beersheba
EGYPT
31°
0 5 10 15 KILOMETERS
0 5 10 15 MILES

SOURCE: "An Atlas of Palestine" (ARIJ, 2000)

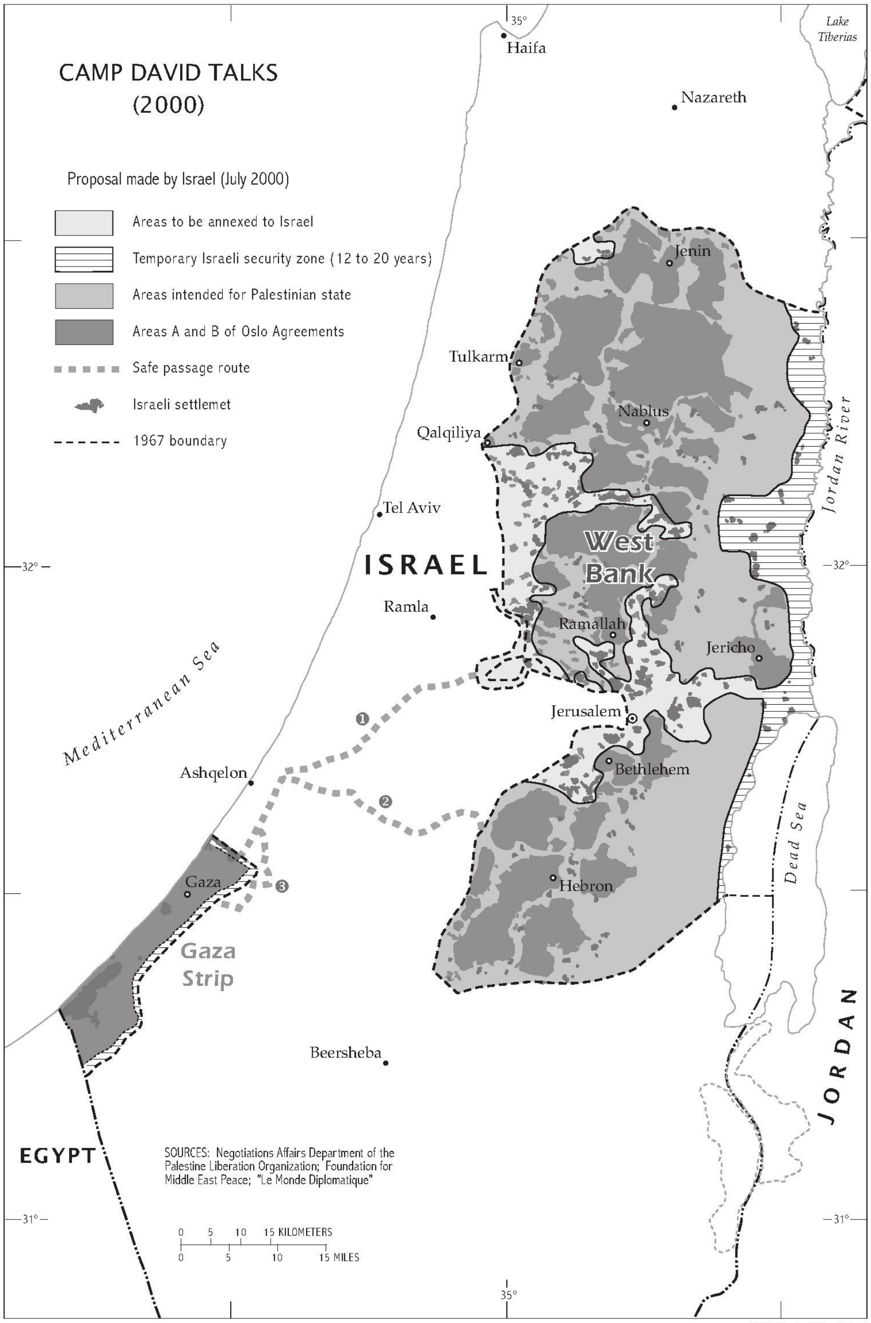
© IPI (Map by Miklos Pinther)

Map 11. Wye Memorandum 1998


SHARM EL SHEIKH MEMORANDUM (1999)
Phase I redeployment
Palestinian civil jurisdiction, Israeli security control (Result of redeployment from Area C to Area B)
Nature reserve (Result of redeployment from Area C to Area B)
Proposed Phase II redeployment
Palestinian autonomy (To be redeployed from Area B to Area A)
Nature reserve (To be redeployed from Area C to Area B)
Oslo I and II Agreements (1994-1995)
A: Palestinian autonomy
B: Palestinian civil jurisdiction Israeli security control
C: Israeli civil and security control
Safe passage route
Israeli security zone (Gaza Strip)
35°
Haifa
Lake Tiberias
Nazareth
Jenin
Tulkarm
Nablus
Qalqiliya
Tel Aviv
Jordan River
West Bank
ISRAEL
32°
Ramla
Ramallah
Jericho
Mediterranean Sea
Jerusalem
1
Bethlehem
2
Ashqelon
Gaza
3
Hebron
Dead Sea
Gaza Strip
JORDAN
Beersheba
EGYPT
SOURCE: "An Atlas of Palestine" (ARIJ, 2000)
0 5 10 15 KILOMETERS
0 5 10 15 MILES
31°

© IPI (Map by Miklos Pinther)

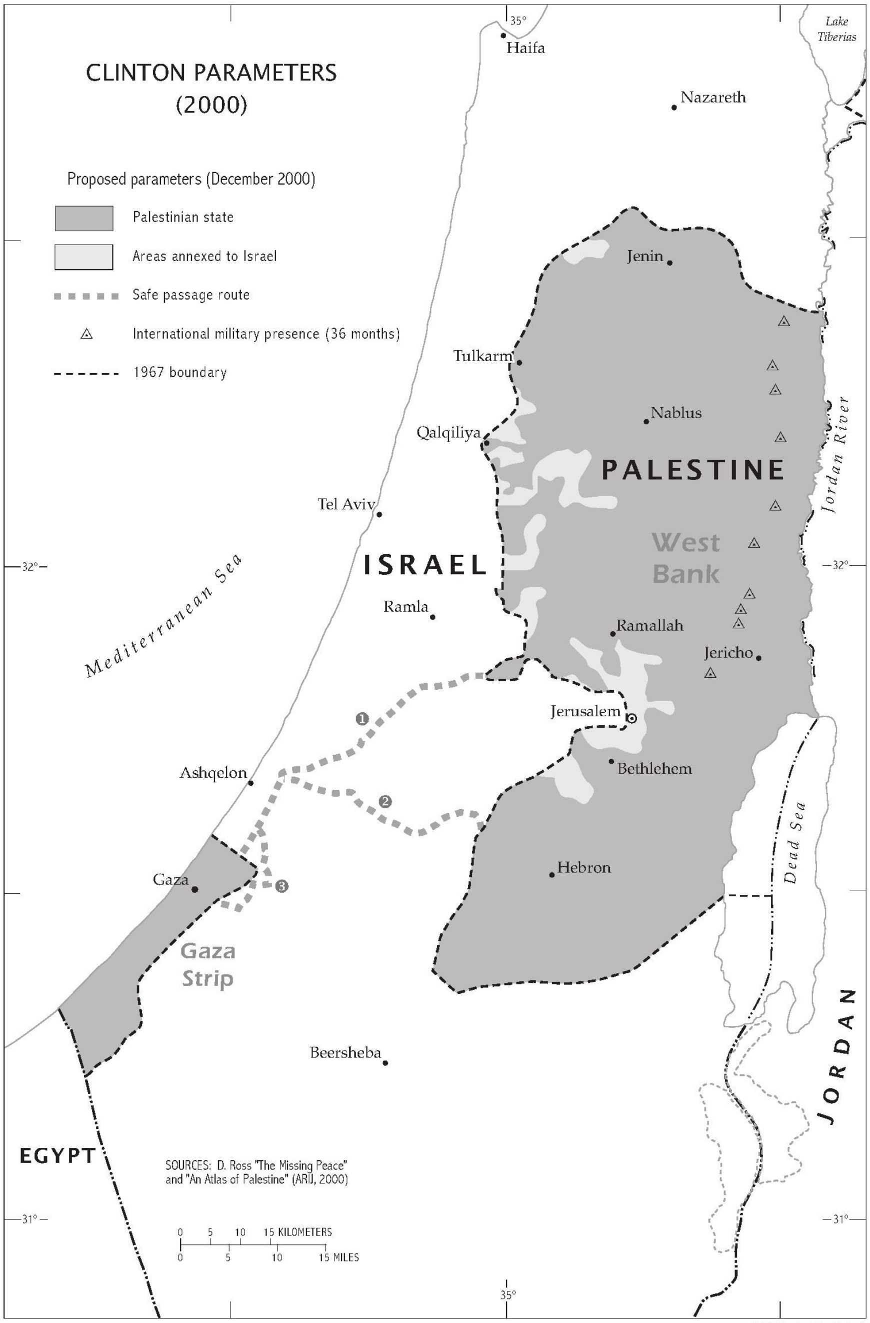
Map 12. Sharm el-Sheikh Memorandum 1999


CAMP DAVID TALKS
(2000)
Proposal made by Israel (July 2000)
Areas to be annexed to Israel
Temporary Israeli security zone (12 to 20 years)
Areas intended for Palestinian state
Areas A and B of Oslo Agreements
Safe passage route
Israeli settlemet
1967 boundary
35°
Haifa
Lake Tiberias
Nazareth
Jenin
Tulkarm
Nablus
Qalqiliya
Jordan River
Tel Aviv
ISRAEL
West Bank
32°
Ramla
Ramallah
Jericho
Mediterranean Sea
Jerusalem
1
Ashqelon
Bethlehem
2
Dead Sea
Gaza
3
Hebron
Gaza Strip
JORDAN
Beersheba
EGYPT
31°
0 5 10 15 KILOMETERS
0 5 10 15 MILES

SOURCES: Negotiations Affairs Department of the Palestine Liberation Organization; Foundation for Middle East Peace; "Le Monde Diplomatique"

© IPI (Map by Miklos Pinther)

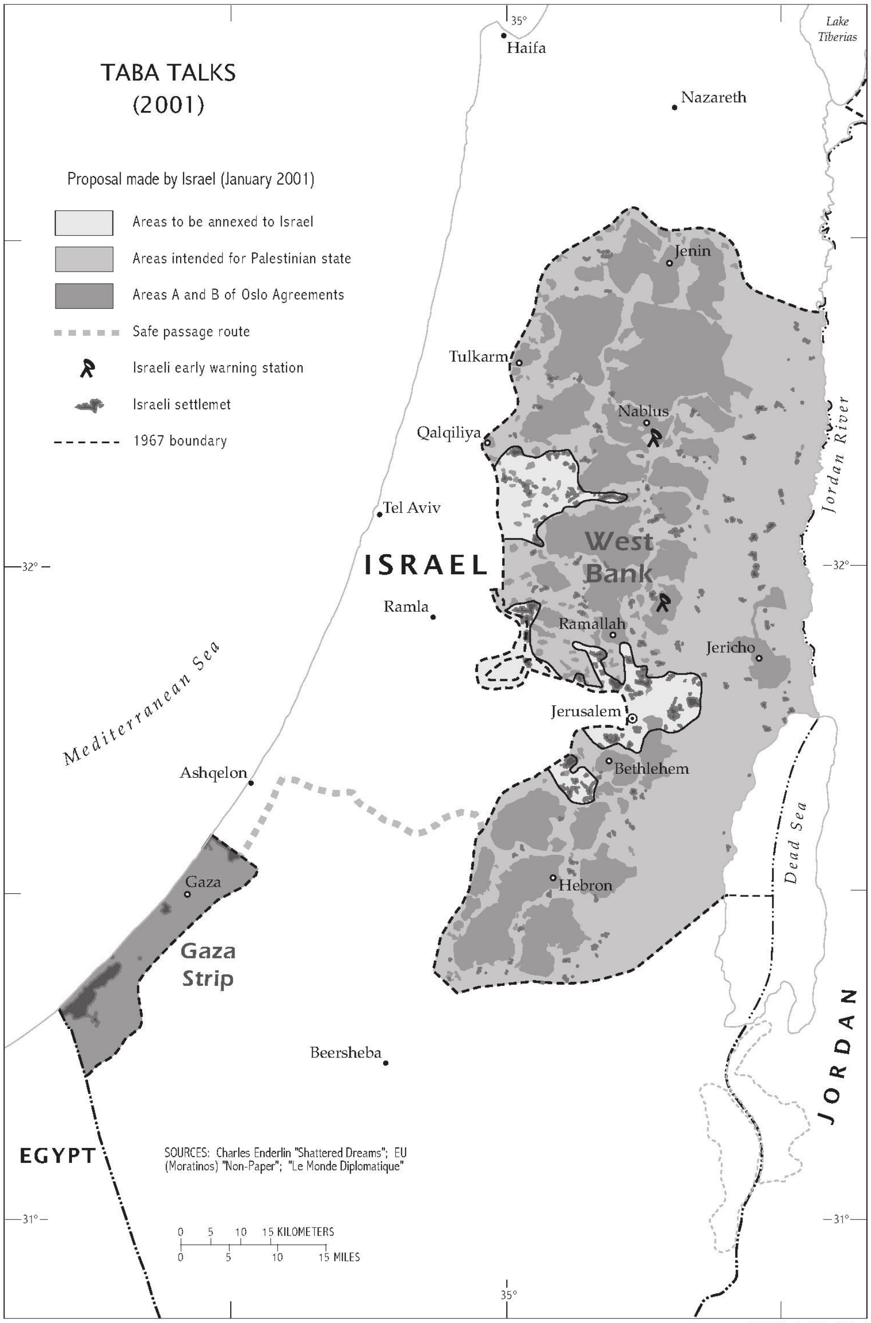
Map 13. Camp David 2000


CLINTON PARAMETERS
(2000)
Proposed parameters (December 2000)
Palestinian state
Areas annexed to Israel
Safe passage route
International military presence (36 months)
1967 boundary
Haifa
Lake Tiberias
Nazareth
Jenin
Tulkarm
Nablus
Qalqiliya
PALESTINE
Jordan River
Tel Aviv
West Bank
ISRAEL
Mediterranean Sea
Ramla
Ramallah
Jericho
Jerusalem
Bethlehem
Ashqelon
Hebron
Dead Sea
Gaza
Gaza Strip
JORDAN
Beersheba
EGYPT
0 5 10 15 KILOMETERS
0 5 10 15 MILES
35°
32°
31°
1
2
3

SOURCES: D. Ross "The Missing Peace" and "An Atlas of Palestine" (ARIJ, 2000)

© IPI (Map by Miklos Pinther)

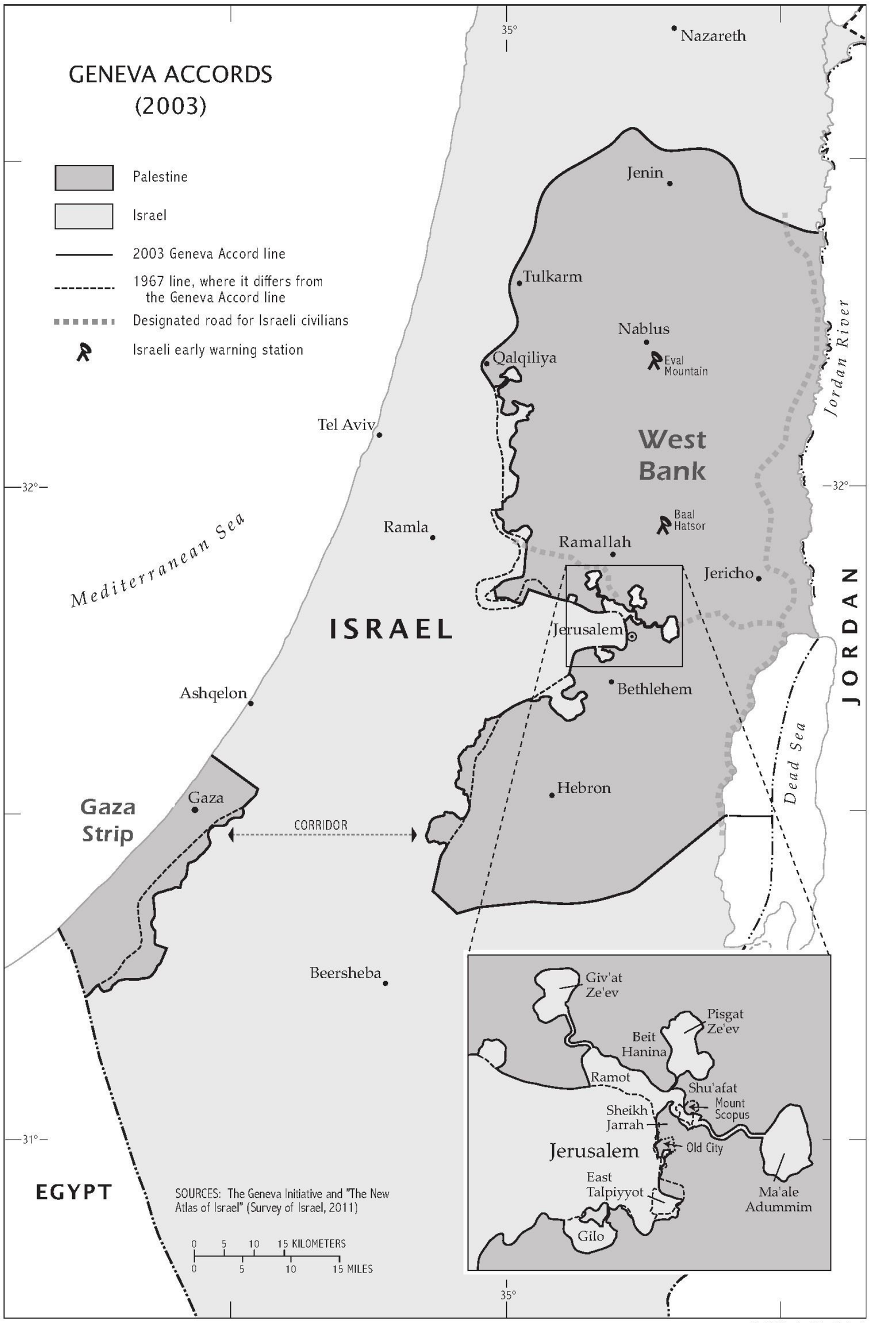
Map 14. Clinton Parameters 2000


TABA TALKS
(2001)
Proposal made by Israel (January 2001)
Areas to be annexed to Israel
Areas intended for Palestinian state
Areas A and B of Oslo Agreements
Safe passage route
Israeli early warning station
Israeli settlemet
1967 boundary
Lake Tiberias
Haifa
Nazareth
Jenin
Tulkarm
Nablus
Qalqiliya
Tel Aviv
ISRAEL
West Bank
Jordan River
Ramla
Ramallah
Jericho
Jerusalem
Bethlehem
Mediterranean Sea
Ashqelon
Gaza
Gaza Strip
Hebron
Dead Sea
JORDAN
Beersheba
EGYPT
35°
32°
31°
0 5 10 15 KILOMETERS
0 5 10 15 MILES

SOURCES: Charles Enderlin "Shattered Dreams"; EU (Moratinos) "Non-Paper"; "Le Monde Diplomatique"

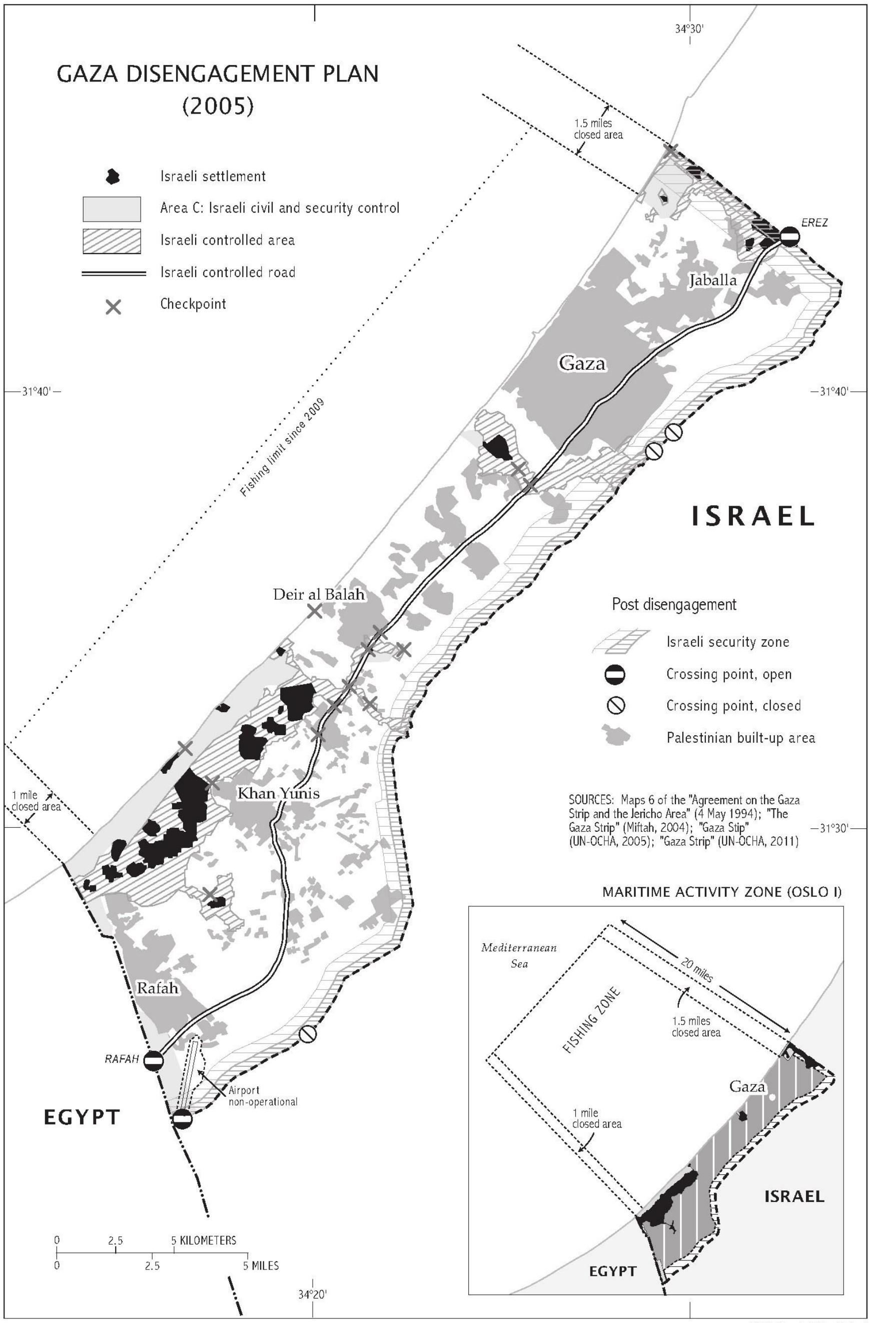
© IPI (Map by Miklos Pinther)

Map 15. Taba Talks 2001


GENEVA ACCORDS
(2003)
Palestine
Israel
2003 Geneva Accord line
1967 line, where it differs from the Geneva Accord line
Designated road for Israeli civilians
Israeli early warning station
35°
Nazareth
Jenin
Tulkarm
Nablus
Eval Mountain
Qalqiliya
Tel Aviv
West Bank
Jordan River
32°
Baal Hatsor
Ramla
Ramallah
Mediterranean Sea
Jericho
JORDAN
ISRAEL
Jerusalem
Ashqelon
Bethlehem
Dead Sea
Hebron
Gaza Strip
Gaza
CORRIDOR
Beersheba
Giv'at Ze'ev
Pisgat Ze'ev
Beit Hanina
Ramot
Shu'afat
Mount Scopus
Sheikh Jarrah
Jerusalem
Old City
East Talpiyyot
Ma'ale Adummim
Gilo
31°
EGYPT
SOURCES: The Geneva Initiative and "The New Atlas of Israel" (Survey of Israel, 2011)
0 5 10 15 KILOMETERS
0 5 10 15 MILES

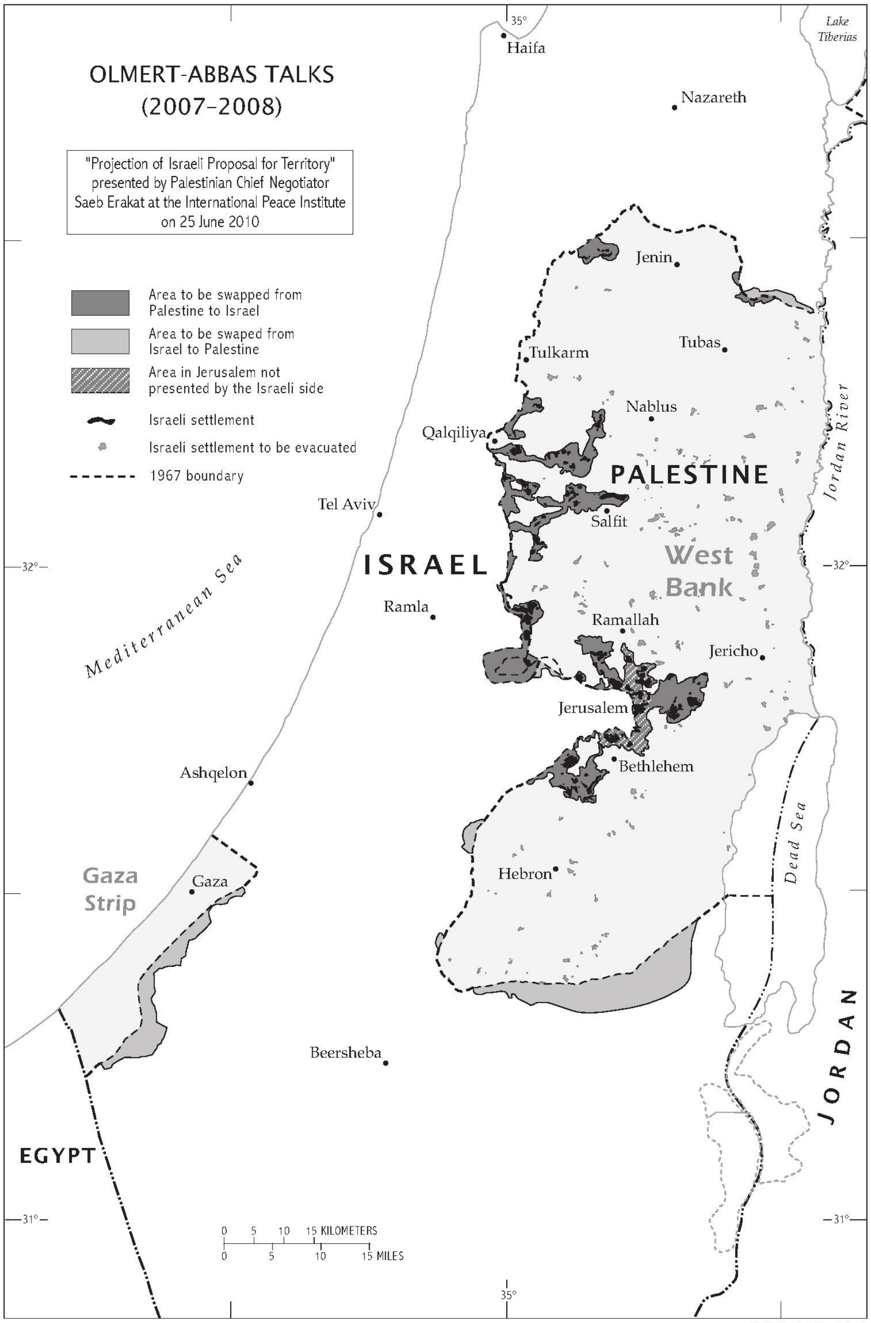
© IPI (Map by Miklos Pinther)

Map 16. Geneva Accord 2003


GAZA DISENGAGEMENT PLAN
(2005)
Israeli settlement
Area C: Israeli civil and security control
Israeli controlled area
Israeli controlled road
Checkpoint
34°30'
1.5 miles
closed area
EREZ
Jaballa
Gaza
31°40'
Fishing limit since 2009
ISRAEL
Deir al Balah
Post disengagement
Israeli security zone
Crossing point, open
Crossing point, closed
Palestinian built-up area
Khan Yunis
1 mile
closed area
SOURCES: Maps 6 of the "Agreement on the Gaza Strip and the Jericho Area" (4 May 1994); "The Gaza Strip" (Miftah, 2004); "Gaza Stip" (UN-OCHA, 2005); "Gaza Strip" (UN-OCHA, 2011)
31°30'
MARITIME ACTIVITY ZONE (OSLO I)
Mediterranean
Sea
20 miles
FISHING ZONE
1.5 miles
closed area
Gaza
1 mile
closed area
ISRAEL
EGYPT
Rafah
RAFAH
Airport
non-operational
EGYPT
0
2.5
5 KILOMETERS
0
2.5
5 MILES
34°20'

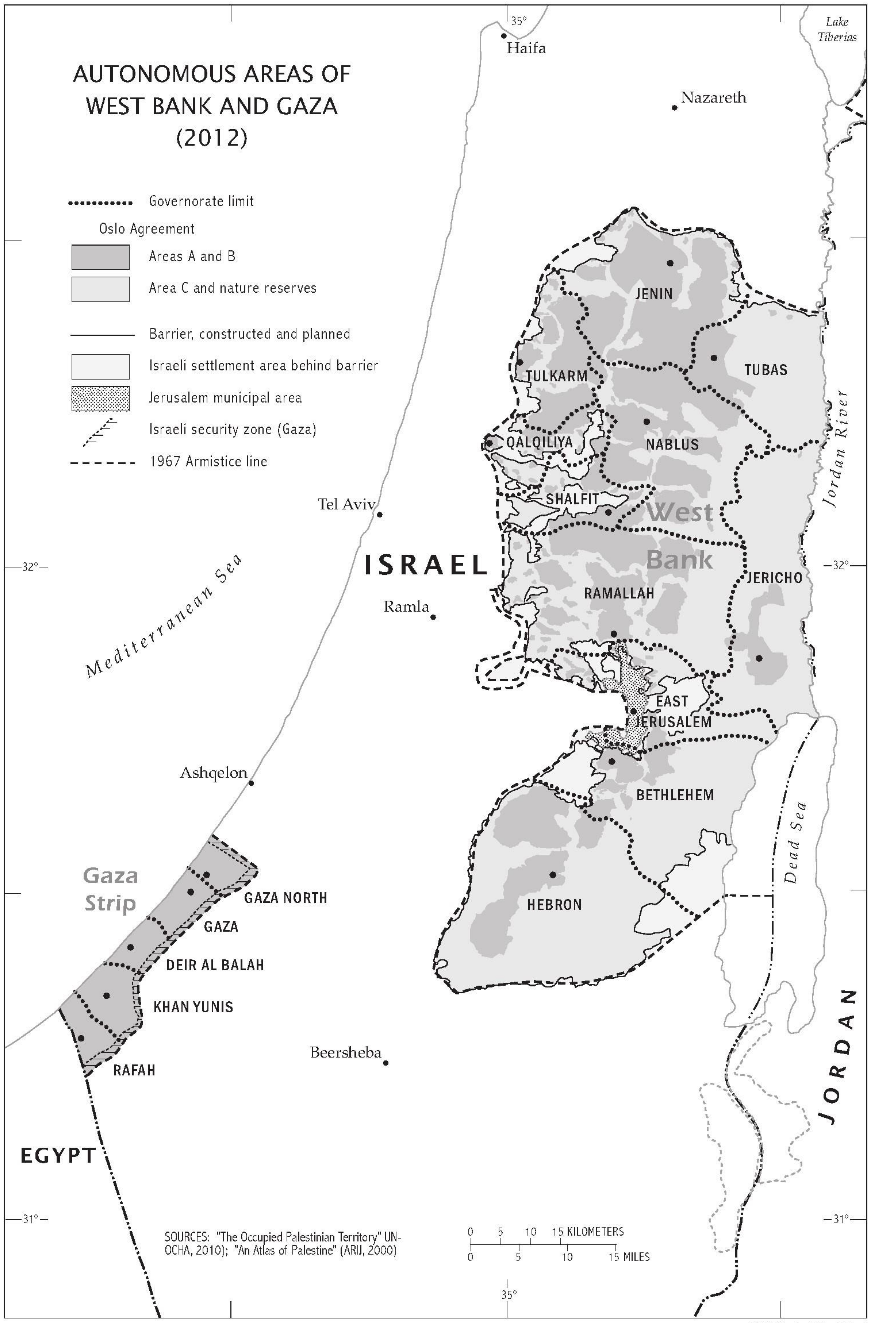
© IPI (Map by Miklos Pinther)

Map 17. Gaza Disengagement 2005


OLMERT-ABBAS TALKS
(2007–2008)
"Projection of Israeli Proposal for Territory" presented by Palestinian Chief Negotiator Saeb Erakat at the International Peace Institute on 25 June 2010
Area to be swapped from Palestine to Israel
Area to be swaped from Israel to Palestine
Area in Jerusalem not presented by the Israeli side
Israeli settlement
Israeli settlement to be evacuated
1967 boundary
35°
Haifa
Lake Tiberias
Nazareth
Jenin
Tubas
Tulkarm
Nablus
Qalqiliya
Jordan River
PALESTINE
Tel Aviv
Salfit
West Bank
ISRAEL
Mediterranean Sea
32°
Ramla
Ramallah
Jericho
Jerusalem
Bethlehem
Ashqelon
Dead Sea
Gaza Strip
Gaza
Hebron
JORDAN
Beersheba
EGYPT
31°
0 5 10 15 KILOMETERS
0 5 10 15 MILES

© IPI (Map by Miklos Pinther)

Map 18. Olmert–Abbas Talks 2007–8


AUTONOMOUS AREAS OF
WEST BANK AND GAZA
(2012)
Governorate limit
Oslo Agreement
Areas A and B
Area C and nature reserves
Barrier, constructed and planned
Israeli settlement area behind barrier
Jerusalem municipal area
Israeli security zone (Gaza)
1967 Armistice line
35°
Haifa
Lake Tiberias
Nazareth
JENIN
TULKARM
TUBAS
QALQILIYA
NABLUS
SHALFIT
Tel Aviv
West Bank
ISRAEL
Mediterranean Sea
32°
RAMALLAH
JERICHO
Jordan River
Ramla
EAST JERUSALEM
Ashqelon
BETHLEHEM
Dead Sea
Gaza Strip
GAZA NORTH
GAZA
HEBRON
DEIR AL BALAH
KHAN YUNIS
JORDAN
RAFAH
Beersheba
EGYPT
31°
0 5 10 15 KILOMETERS
0 5 10 15 MILES
35°

SOURCES: "The Occupied Palestinian Territory" UN-OCHA, 2010); "An Atlas of Palestine" (ARIJ, 2000)

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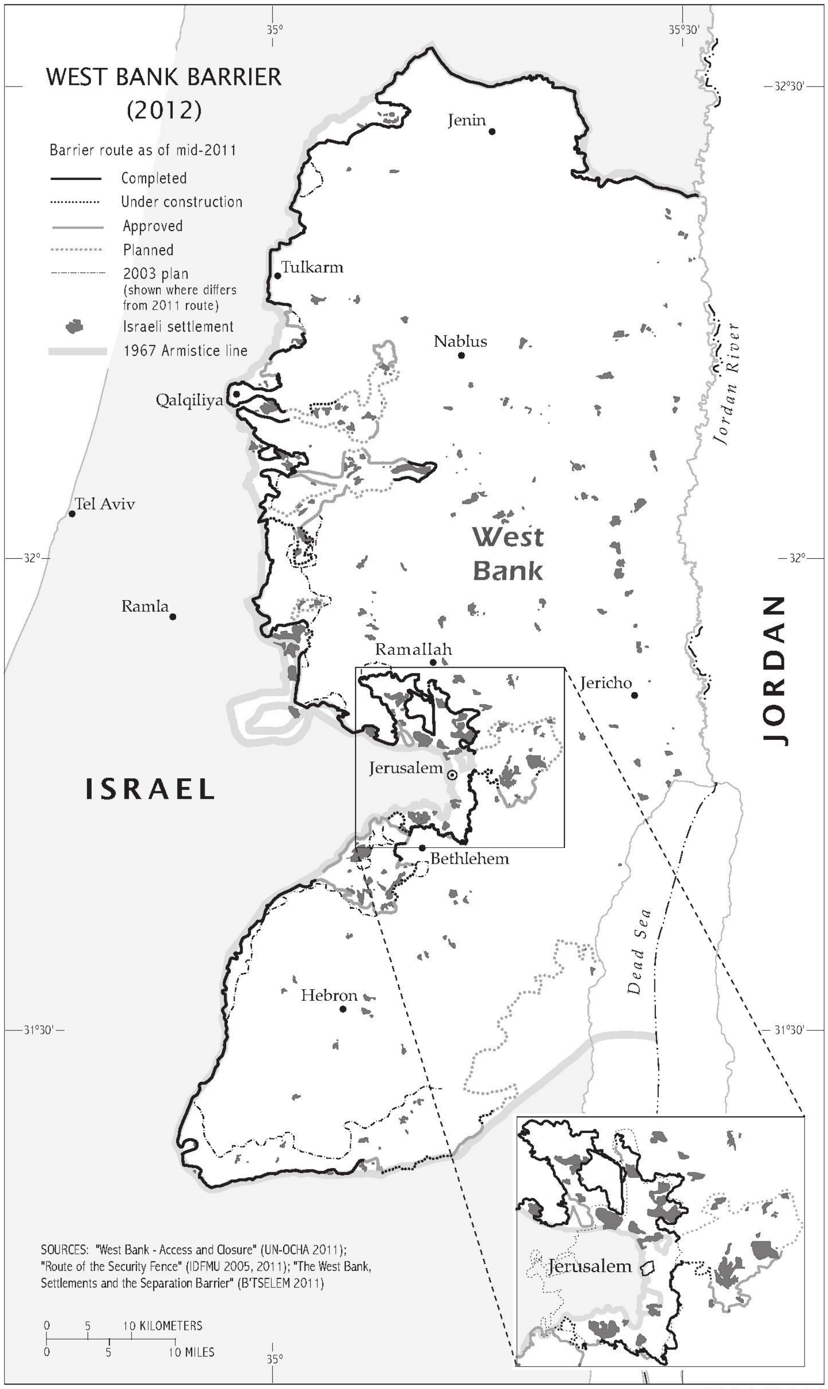
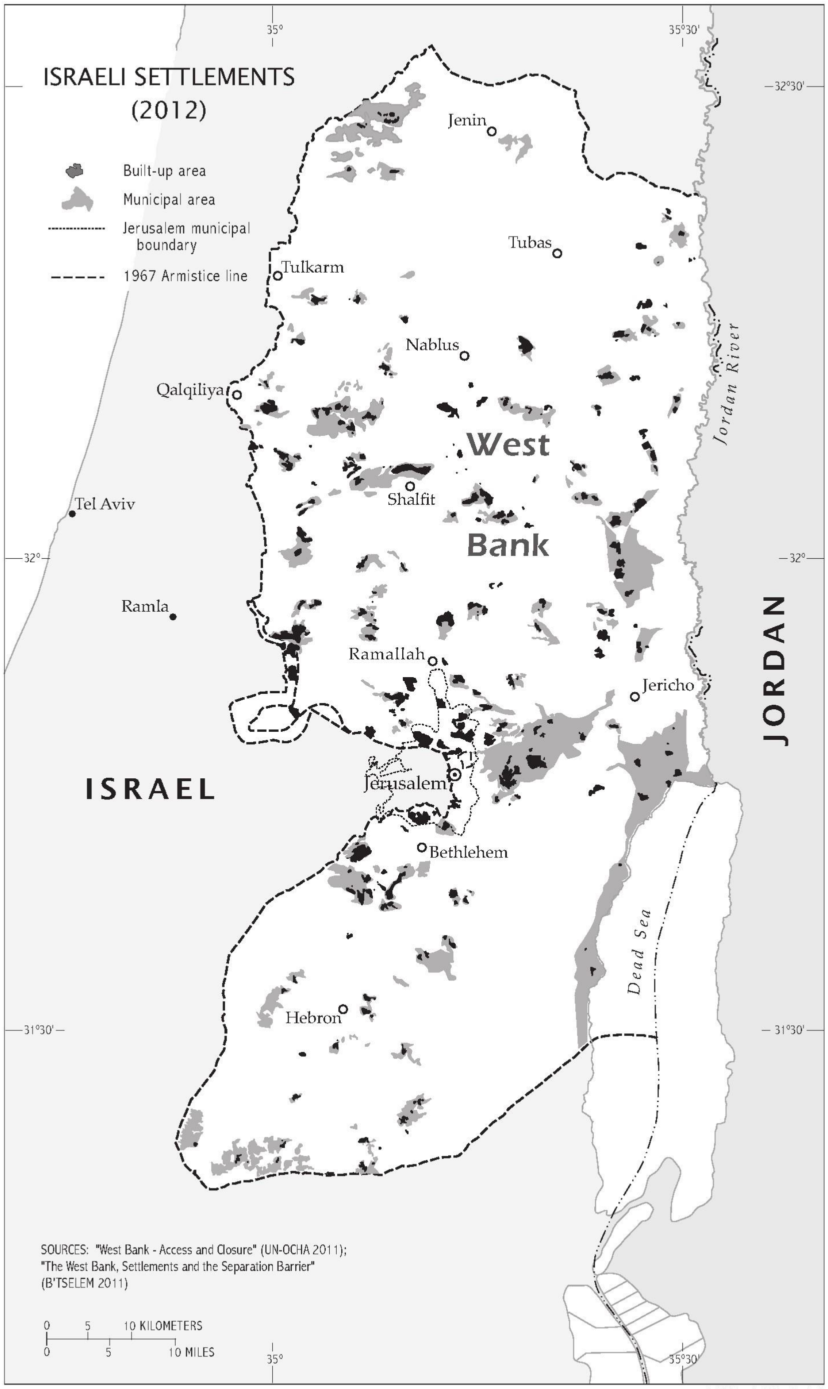
Map 19. Autonomous areas 2012


WEST BANK BARRIER
(2012)
Barrier route as of mid-2011
Completed
Under construction
Approved
Planned
2003 plan
(shown where differs from 2011 route)
Israeli settlement
1967 Armistice line
35°
35°30'
32°30'
32°
31°30'
Jenin
Tulkarm
Nablus
Qalqiliya
Tel Aviv
Ramla
West Bank
Ramallah
Jericho
Jerusalem
Bethlehem
Hebron
ISRAEL
JORDAN
Jordan River
Dead Sea
0 5 10 KILOMETERS
0 5 10 MILES

SOURCES: "West Bank - Access and Closure" (UN-OCHA 2011); "Route of the Security Fence" (IDFMU 2005, 2011); "The West Bank, Settlements and the Separation Barrier" (B'TSELEM 2011)

© IPI (Map by Miklos Pinther)

Map 20. West Bank Barrier 2012


ISRAELI SETTLEMENTS (2012)
Built-up area
Municipal area
Jerusalem municipal boundary
1967 Armistice line
35°
35°30'
32°30'
32°
31°30'
Jenin
Tubas
Tulkarm
Nablus
Qalqiliya
West Bank
Shalfit
Tel Aviv
Ramla
Ramallah
Jericho
Jerusalem
Bethlehem
Hebron
ISRAEL
JORDAN
Jordan River
Dead Sea
0 5 10 KILOMETERS
0 5 10 MILES

SOURCES: "West Bank - Access and Closure" (UN-OCHA 2011); "The West Bank, Settlements and the Separation Barrier" (B'TSELEM 2011)

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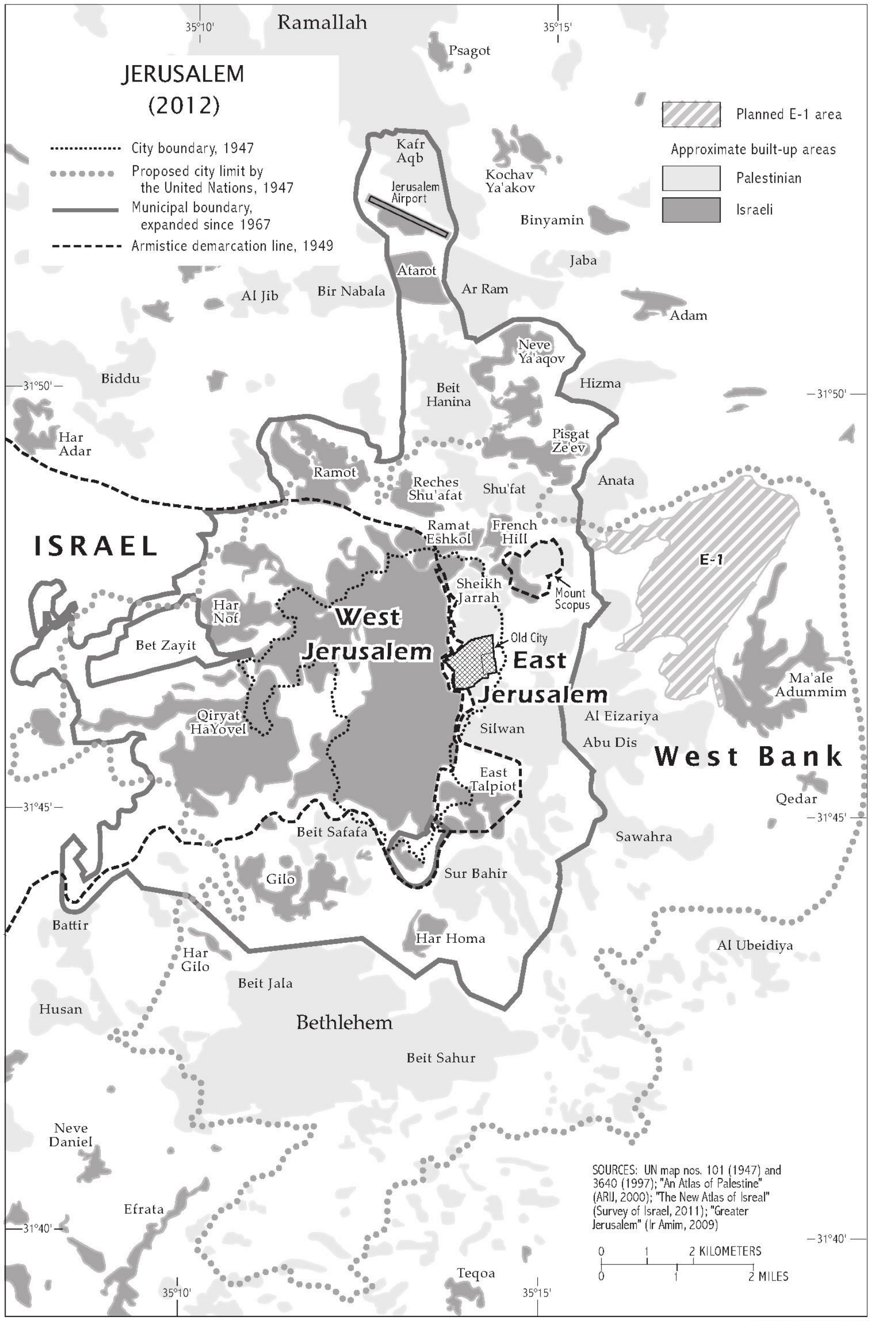
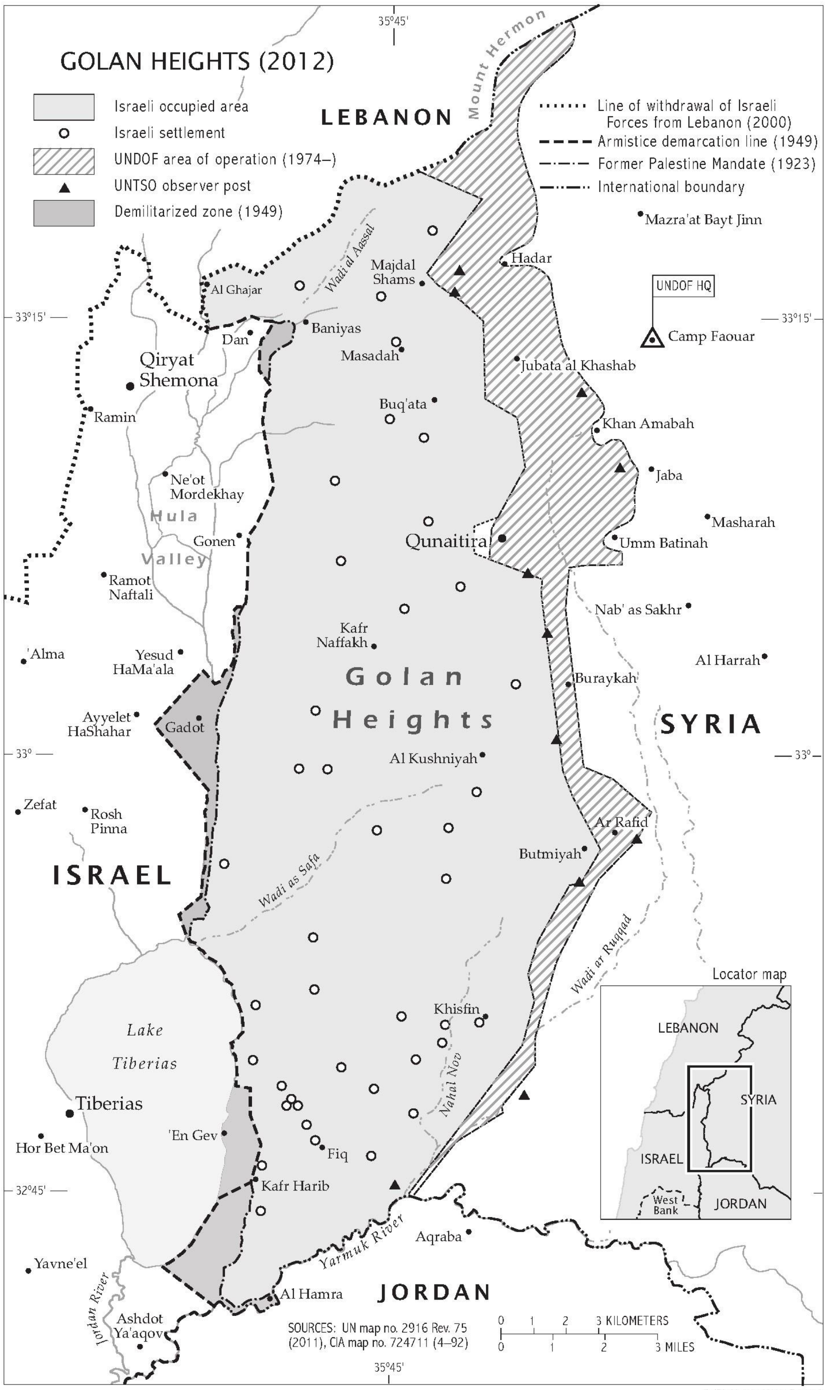
Map 21. Israeli Settlements 2012


JERUSALEM
(2012)
City boundary, 1947
Proposed city limit by the United Nations, 1947
Municipal boundary, expanded since 1967
Armistice demarcation line, 1949
Planned E-1 area
Approximate built-up areas
Palestinian
Israeli
35°10'
35°15'
31°50'
31°45'
31°40'
Ramallah
Psagot
Kafr Aqb
Jerusalem Airport
Kochav Ya'akov
Binyamin
Jaba
Atarot
Ar Ram
Al Jib
Bir Nabala
Adam
Neve Ya'aqov
Hizma
Biddu
Beit Hanina
Har Adar
Pisgat Ze'ev
Ramot
Reches Shu'afat
Shu'fat
Anata
ISRAEL
Ramat Eshkol
French Hill
E-1
Sheikh Jarrah
Mount Scopus
Har Nof
West Jerusalem
Bet Zayit
Old City
East Jerusalem
Ma'ale Adummim
Qiryat HaYovel
Silwan
Al Eizariya
Abu Dis
West Bank
East Talpiot
Qedar
Beit Safafa
Sawahra
Gilo
Sur Bahir
Battir
Har Homa
Al Ubeidiya
Har Gilo
Beit Jala
Husan
Bethlehem
Beit Sahur
Neve Daniel
Efrata
Teqoa
0 1 2 KILOMETERS
0 1 2 MILES

SOURCES: UN map nos. 101 (1947) and 3640 (1997); "An Atlas of Palestine" (ARIJ, 2000); "The New Atlas of Isreal" (Survey of Israel, 2011); "Greater Jerusalem" (Ir Amim, 2009)

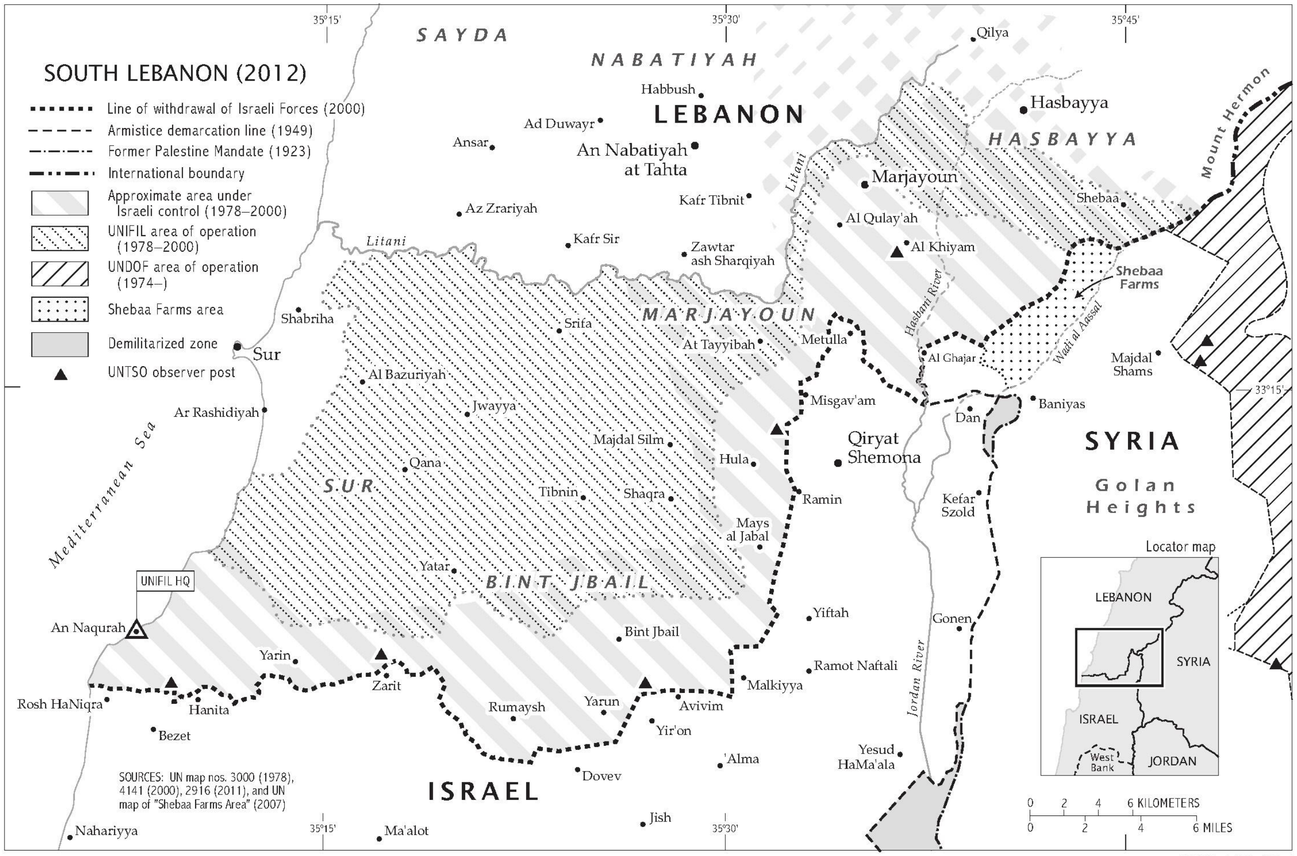
© IPI (Map by Miklos Pinther)

Map 22. Jerusalem 2012


GOLAN HEIGHTS (2012)
Israeli occupied area
Israeli settlement
UNDOF area of operation (1974–)
UNTSO observer post
Demilitarized zone (1949)
Line of withdrawal of Israeli Forces from Lebanon (2000)
Armistice demarcation line (1949)
Former Palestine Mandate (1923)
International boundary
35°45'
33°15'
33°
32°45'
LEBANON
Mount Hermon
Mazra'at Bayt Jinn
Hadar
UNDOF HQ
Camp Faouar
Majdal Shams
Wadi al Aassal
Al Ghajar
Baniyas
Dan
Masadah
Qiryat Shemona
Ramin
Jubata al Khashab
Buq'ata
Khan Amabah
Jaba
Ne'ot Mordekhay
Hula Valley
Gonen
Qunaitira
Masharah
Umm Batinah
Ramot Naftali
Nab' as Sakhr
Kafr Naffakh
'Alma
Yesud HaMa'ala
Al Harrah
Golan Heights
Buraykah
Ayyelet HaShahar
Gadot
SYRIA
Al Kushniyah
Zefat
Rosh Pinna
Ar Rafid
Butmiyah
ISRAEL
Wadi as Safa
Wadi ar Ruqqad
Lake Tiberias
Khisfin
Nahal Nov
Tiberias
'En Gev
Hor Bet Ma'on
Fiq
Kafr Harib
Aqraba
Yarmuk River
Yavne'el
Jordan River
Al Hamra
JORDAN
Ashdot Ya'aqov
SOURCES: UN map no. 2916 Rev. 75 (2011), CIA map no. 724711 (4–92)
0 1 2 3 KILOMETERS
0 1 2 3 MILES
Locator map
LEBANON
SYRIA
ISRAEL
West Bank
JORDAN

© IPI (Map by Miklos Pinther)

Map 23. Golan Heights 2012


SOUTH LEBANON (2012)
Line of withdrawal of Israeli Forces (2000)
Armistice demarcation line (1949)
Former Palestine Mandate (1923)
International boundary
Approximate area under Israeli control (1978–2000)
UNIFIL area of operation (1978–2000)
UNDOF area of operation (1974–)
Shebaa Farms area
Demilitarized zone
UNTSO observer post
35°15'
35°30'
35°45'
33°15'
SAYDA
NABATIYAH
LEBANON
HASBAYYA
MARJAYOUN
SUR
BINT JBAIL
ISRAEL
SYRIA
Golan Heights
Mediterranean Sea
Mount Hermon
Litani
Hasbani River
Jordan River
Wadi al Assal
Shebaa Farms
Qilya
Hasbayya
Habbush
Ad Duwayr
Ansar
An Nabatiyah at Tahta
Marjayoun
Shebaa
Kafr Tibnit
Az Zrariyah
Kafr Sir
Zawtar ash Sharqiyah
Al Qulay'ah
Al Khiyam
Shabriha
Sur
Srifa
At Tayyibah
Metulla
Al Ghajar
Majdal Shams
Al Bazuriyah
Misgav'am
Dan
Baniyas
Ar Rashidiyah
Jwayya
Majdal Silm
Qiryat Shemona
Hula
Qana
Tibnin
Shaqra
Ramin
Kefar Szold
Mays al Jabal
Yatar
UNIFIL HQ
An Naqurah
Yiftah
Gonen
Bint Jbail
Yarin
Ramot Naftali
Zarit
Malkiyya
Rosh HaNiqra
Hanita
Rumaysh
Yarun
Avivim
Yir'on
Bezet
'Alma
Yesud HaMa'ala
Dovev
Jish
Nahariyya
Ma'alot
Locator map
LEBANON
SYRIA
ISRAEL
JORDAN
West Bank
0 2 4 6 KILOMETERS
0 2 4 6 MILES

SOURCES: UN map nos. 3000 (1978), 4141 (2000), 2916 (2011), and UN map of "Shebaa Farms Area" (2007)

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Map 24. South Lebanon 2012

From: Lisa New [redacted]
Sent: 12/7/2015 7:23:18 PM
To: jeffrey E. [jeevacation@gmail.com]
Subject: Re: and....another bit of advice ...? on WA

Importance: High

politicians I have taped

Bill Clinton
Al Gore,
John McCain
Mayor Rahm Emanuel
Mayor Tom Menino
Supreme Court Justice Elena Kagan
Sir Mervyn King
Former Sec of Treasury Larry Summers

yeses from politicians not yet scheduled

Vice President Biden
Senator Mark Warner
Governor Jerry Brown
UN representative Samantha Power
former sec of State, Henry Kissinger
former Sec of State Condaleeza Rice
former Chancellor of the NYC schools, Joel Klein

In other categories I have taped

Frank Gehry, architect
Katie Couric , David Brooks and Andrea Mitchell, journalists
Richard Dawkins and Peter Gallison, scientists
Head of the College Board, David Coleman
Dean of Harvard Law School, Martha Minow
plus several poets laureate.....

On Mon, Dec 7, 2015 at 2:04 PM, jeffrey E. <jeevacation@gmail.com> wrote:

> send me the list of politicans   the list you sent will generate an of course not
>
> On Mon, Dec 7, 2015 at 3:01 PM, Lisa New <[redacted]> wrote:
>
>> Dear Jeffrey,
>>
>> As you probably know, Woody Allen's legal team said that we couldn't use the film we shot of him: online, for broadcast, anywhere.
>>
>> It was a fantastic experience taping with him and so, even if I can't ever use the footage, I'm still grateful to you for making the day possible. But of course I'd like to use the footage. I decided when--way back-- we got this very negative answer back from his lawyers that I should just take my time about asking --since it would take us 2 years to be ready to edit the footage anyway (The online course is chronological. When I taped Woody we were still back in 1730. Now we've gotten to the 1920s)

Well, we've now arrived at the season when we'll be editing materials on William Carlos Williams for our course on Modernism and, as we discussed on Saturday, on poetry and other arts, The Poetry of Art, Sport, and Play

I would also, of course, love to make a tv episode out of the conversation, but the threshold question is whether he'll let us use it for anything at all. In case it would matter,

Other performers who have already taped with me include

John Lithgow,
Diane Paulus
Julie Taymor
Nas
Eve Ensler
Damian Woetzel
Kate Burton
Lil Buck Riley
Alfre Woodard
Herbie Hancock
Tony Kushner
Natalia Zukerman

and those who have agreed to tape with me include

Sally Field
Lena Dunham
Yo Yo Ma
Anna Deveare Smith
and more.

Those in other fields include journalists, senators, president clinton etc etc. You've read my pitch before (many times)

His is one of only two releases that we haven't gotten. What do you think of my chances?

Lisa

--

Elisa New
Powell M. Cabot Professor of American Literature
Harvard University
148 Barker Center
12 Quincy Street
Cambridge, MA
O2138
[redacted]

> --
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Elisa New
Powell M. Cabot Professor of American Literature
Harvard University
148 Barker Center
12 Quincy Street
Cambridge, MA
O2138
[redacted]

From: Kathy Ruemmler [redacted]
Sent: 7/29/2017 10:28:10 PM
To: jeffrey E. [jeevacation@gmail.com]
Subject: Re:

Importance: High

This week was totally bananas. Did Andrea Mitchell yesterday to discuss Trump/DOJ.

Apartment appointment is Aug. 2 at 4 pm.

Sent from my iPad

On Jul 29, 2017, at 6:12 PM, jeffrey E. <jeevacation@gmail.com> wrote:

wash this week . what time see apt

--
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From: jeffrey E. [jeevacation@gmail.com]
Sent: 12/7/2015 7:35:13 PM
To: Lisa New [redacted]]
Subject: Re: and....another bit of advice ...? on WA

better list to present woody

On Mon, Dec 7, 2015 at 3:23 PM, Lisa New <[redacted]> wrote:

> politicians I have taped
>
> Bill Clinton
> Al Gore,
> John McCain
> Mayor Rahm Emanuel
> Mayor Tom Menino
> Supreme Court Justice Elena Kagan
> Sir Mervyn King
> Former Sec of Treasury Larry Summers
>
> yeses from politicians not yet scheduled
>
> Vice President Biden
> Senator Mark Warner
> Governor Jerry Brown
> UN representative Samantha Power
> former sec of State, Henry Kissinger
> former Sec of State Condaleeza Rice
> former Chancellor of the NYC schools, Joel Klein
>
> In other categories I have taped
>
> Frank Gehry, architect
> Katie Couric , David Brooks and Andrea Mitchell, journalists
> Richard Dawkins and Peter Gallison, scientists
> Head of the College Board, David Coleman
> Dean of Harvard Law School, Martha Minow
> plus several poets laureate.....
>
> On Mon, Dec 7, 2015 at 2:04 PM, jeffrey E. <jeevacation@gmail.com> wrote:
>
>> send me the list of policticans the list you sent will generate an of course not
>>
>> On Mon, Dec 7, 2015 at 3:01 PM, Lisa New <[redacted]> wrote:
>>
>>> Dear Jeffrey,
>>>
>>> As you probably know, Woody Allen's legal team said that we couldn't use the film we shot of him: online, for broadcast, anywhere.
>>>
>>> It was a fantastic experience taping with him and so, even if I can't ever use the footage, I'm still grateful to you for making the day possible. But of course I'd like to use the footage. I decided when--way back-- we got this very negative answer back from his lawyers that I should just take my time about asking --since it

> would take us 2 years to be ready to edit the footage anyway (The online course is chronological. When I taped Woody we were still back in 1730. Now we've gotten to the 1920s)
>
> Well, we've now arrived at the season when we'll be editing materials on William Carlos Williams for our course on Modernism and, as we discussed on Saturday, on poetry and other arts, The Poetry of Art, Sport, and Play
>
> I would also, of course, love to make a tv episode out of the conversation, but the threshold question is whether he'll let us use it for anything at all. In case it would matter,
>
> Other performers who have already taped with me include
>
> John Lithgow,
> Diane Paulus
> Julie Taymor
> Nas
> Eve Ensler
> Damian Woetzel
> Kate Burton
> Lil Buck Riley
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> Those in other fields include journalists, senators, president clinton etc etc. You've read my pitch before (many times)
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> His is one of only two releases that we haven't gotten. What do you think of my chances?
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> Lisa
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> --
>
> Elisa New
> Powell M. Cabot Professor of American Literature
> Harvard University
> 148 Barker Center
> 12 Quincy Street
> Cambridge, MA
> O2138
> [redacted]

--

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From: jeffrey E. [jeevacation@gmail.com]
Sent: 12/7/2015 7:36:12 PM
To: Lisa New[redacted]
Subject: Re: and....another bit of advice ...? on WA

write me a letter using only the top list and forward me his clip please

On Mon, Dec 7, 2015 at 3:23 PM, Lisa New <[redacted]> wrote:

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> Al Gore,
> John McCain
> Mayor Rahm Emanuel
> Mayor Tom Menino
> Supreme Court Justice Elena Kagan
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> > > Dear Jeffrey,
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Date: Mon, Oct 26, 2015 at 8:37 PM
Subject:
To: Brad Wechsler <[redacted]>, Melanie Spinella <[redacted]
gain at 20 % not 28. . so total , 35.8%. tax rate. same for boat. and plane each around 10 m so total 7 m savings if both sold

Date: Tue, Oct 27, 2015 at 11:35 AM
Subject: Detailed constructive list.
To: Melanie Spinella <[redacted]>
Cc: Brad Wechsler <[redacted]>
Deciisions needed asap 1 phaidon. topco etc. . (cash needs) many wires needed !! 2 new trustee or not. - new decantings 3 art in art partnership.??! .overdue ?! 4 grats? window - 5 art space. .6 regan arts. .7 plane simplify re strucuture re finance. re purpose . 8 .boat restrucutre , sister, 9 re fresh estate plan. to consider modifications Alex Victoria equal does not mean same. 10. tra review , sale. , 11 brh, doc review, 12. sale of stock or art ? tax, rent sale 13 . gifts of art. 14. charity current and future pledges , gifts, 15 cash flow. . 16 . new IT and new personnel. 17. operational re-do (bill pay etc) . 18 debra and children ? current and future involvement . notifications etc. . new dynasty trust ? 19. tax plan and dislosures gaming. foreign apollo and phaidon related . 20. investments rationalize incl trading accouints . 21. bank loans . rates ? ? terms etc. consolidate. plane boat houses. disclosures? 22 . consolidate and review and reduce the number of all bank accounts and legal entities. decanting liquidating etc. . 23 all outside consultants? valuations etc. 24 review legal bills carefullly. 25. third party responsibilty Bens house , alex films . etc.

Date: Wed, Oct 28, 2015 at 5:56 AM
Subject: Fwd: Detailed constructive list.
To: Lesley Groff <[redacted]
please print two copes . re formattted so leon can go line by line ie . heading s question, gift answer. blank who responsible. time frame. fee paid when?

Date: Tue, Oct 27, 2015 at 6:35 AM
Subject: Detailed constructive list.
To: Melanie Spinella <[redacted]>
Cc: Brad Wechsler <[redacted]>
Deciisions needed asap 1 phaidon. topco etc. . (cash needs) many wires needed !! 2 new trustee or not. - new decantings 3 art in art partnership.??! .overdue ?! 4 grats? window - 5 art space. .6 regan arts. .7 plane simplify re strucuture re finance. re purpose . 8 .boat restrucutre , sister, 9 re fresh estate plan. to consider modifications Alex Victoria equal does not mean same. 10. tra review , sale. , 11 brh, doc review, 12. sale of stock or art ? tax, rent sale 13 . gifts of art. 14. charity current and future pledges , gifts, 15 cash flow. . 16 . new IT and new personnel. 17. operational re-do (bill pay etc) . 18 debra and children ? current and future involvement . notifications etc. . new dynasty trust ? 19. tax plan and dislosures gaming. foreign apollo and phaidon related . 20. investments rationalize incl trading accouints . 21. bank loans . rates ? ? terms etc. consolidate. plane boat houses. disclosures? 22 . consolidate and review and reduce the number of all bank accounts and legal entities. decanting liquidating etc. . 23 all outside consultants? valuations etc. 24 review legal bills carefullly. 25. third party responsibilty Bens house , alex films . etc.

From: **jeffrey E.** <jeevacation@gmail.com>
Date: Tue, Feb 24, 2015 at 2:20 PM

Subject:
To: Melanie Spinella <[redacted]>
Leon,

Yesterday , I again spent hours upon hours of my time with your office. ,(speak to brad to get flavor) and you and i will discuss the results in gory gruesome detail on Friday. it mirrored many other weeks spent doing the things that I don;t have the time to do.

In order to keep things in perspective, maybe reviewing an analogy I have used before with you, might be helpful. You and your family are a 6 billion dollar corp. with an income between 250 -500 million dollars per year. It contains a few operating biz's , a large wide array of existing investments, in various categories , a desire to enter into others. A panoply of loans, notes. purchases, wide range of all types of taxes. , planes. boats homes. . trusts ,grats. a crazy number of bank accts. (with no oversight) . law firms, acct firms, 800 page tax returns, foreign firms. art consultants. construction consultants bill payers, home mgmt.,vast multitude of llc's , including foreign, and with all that you only have a combined overhead of less that 3 million dollars.

I have previously sent you the very same note that i have enclosed again below ,this time with highlights . I wrote it to you over a year ago. As my acute disability (selective memory) seems to have been raised as one of your concerns , as a rule I try to memorialize things in writing in an attempt to lay out issues that I fear may later turn out to be a problem. ie what i would and wouldn't do , - my responsibilities. etc and those things that are not. below you will find details of things that I thought needed to be done, so that you wouldn't find yourself in the very place where you currently find yourself. however ,you chose to defer many of my suggestions- see below -,until only weeks ago. ! you chose to defer the jpm acct. the art partnership on and on - into this year. and though the 60- 50 40 timber emails all carried with it a clear warning that you needed to do something re personnel if it were to stabilize,- you chose to wait.

ONE YEAR AGO
Feb 17 2014 i wrote :

With regard the more pressing issue I am uncertain of just how to proceed. I am torn, as my very strong inclination is not to be involved at all . It is extremely time consuming, delicate, fraught with many pitfall many that will make you very upset and a major pain in the ass. I wrote you months ago that the quality of the people involved need to be upgraded. (lucky for me these last issues arose way before the beginning of my involvement) I am also aware however of my overarching friendship obligations of ok, -given all the complexities who else can do it? problem.

Your family office needs a daddy. children with good intentions are running around , sniping , nitpicking with little direction. As a stopgap measure I am suggesting , we put in Larry Delson to take charge Everyone would report to him. Eileen included. He would however work for me. this is not, by a long shot my first choice as I prefer only being responsible and standing behind my own personal work (ie the word DONE will no longer be transmitted to reflect status stated by others)

With no commitment on my part whatsoever, to do it. So far as I have failed in my attempt in trying to think through the problem creatively . My organizations handling of the more complex issues I believe you might find very costly, very ! (however many structures available some risk sharing, maybe risk caps ,etc) but would require my teams doing the work , not yours. Ada should be only a trust, grat administrator. not sure what role you prefer for Eileen as you hired her initially to oversee investments. whether Rich your controller stays or not, is not urgent. having Tom report to a new person,- is. coordination with Suydam Kathy Gregory, I would suggest limiting to one person. The increasing public profile needs to be taken into consideration.

TODAY

With your acquiesence , Eileen did not report to Delson (he acting as a conduit directly to me) , she continued to provide bad info to both you (cash flows , stock accts, structures. sales Etc) and me. and each time with my many annoying calls to you made immediately afterwards that she was g.....y !! No one was hired to run YOUR office until two months ago , no one was even interviewed and even now , Brad, a very nice man, is not even full time,(crazy) Hours upon hours of time need to be spent training him . and his new staff. Eileen followed your instructions. not mine. in fact she continued to ignore mine saying " but Leon said " or " its on Leon's desk etc " , You would become frustrated when i pointed out each instance. of her obfuscation. originally you were given the clear choice, but to save money ,you chose not to hire my team . I was hired to do the architecture, you kept your own team. with Eileen at the head. instructions were given by me, , detailed but ignored by her. (except in the instances where I inserted myself and personally had to do the weeks of grunt work),ex. jpm morgan acct still not in use? That being said, If you do the cold calculation ,starting from where you were, to where you are currently . you have made a hell of a deal. -- negotiating down my original amount requested , calling upon our friendship and suggesting that the Carlyn mess was partially my fault. (though in that specific example , I had never been asked to do more than merely provide you the name of the most highly recognized atty in the field, not consulted,nor even asked again for my guidance along the way.). I accepted the discount as your friend. (by the way ,,suggesting now, that your Tom is now that last word on tax characterization, frankly is a bit much,-). however - that is all in the past.

In order to move forward

I would ask that you realize that very unlike yours, My business is only comprised of my personal attention and my personal time . Time that I was forced to grossly overspend on your various issues last year. . As you are my very close friend I will not have you participate in a bidding process that I have decided i will have this year for my time . (hopefully a more fair way to allocate) I would also ask that you keep in mind that though our deal expired months ago. (also keeping in mind , that your understanding of the final payment terms neither reflected the emails or my memory, we finished it up your way.) I have answered every call Brad , joslin, Ada or you, have made . reviewed docs over and over/ until once again, I was forced to insert myself strongly as I thought it dangerous not to. I made serious dollar and time concessions last year.very serious I am wiling to continue to accommodate some of your concerns , but I am, under no circumstances , none, willing to spend my time for free. its not fair. After cleaning up Carlyn's mess , which was a few weeks and 30 million dollars . We were both highly aware of the dire circumstances in which you found yourself last year, and in fact due predominately to its seriousness. and those very circumstances I took extra care in our negotiations . (you had claimed I had you over a barrel , (a horrible position to be in with my very close friend.), unfortunately I fear that if you are not cautious ,in the near future, another barrel will appear of your own design)

I heard you when you said you believed i had already been paid for the work that is now required. The art partnership has fully answered all your concerns and discharged all my obligations and more so. . (FYI Carlyns art partnership that you referenced is similar in only its title.) You will also recall that you required that my payments be at the end of my work not at the beginning as everyone else's .(my work was never to include hours upon hours of training your staff). I eventually agreed, this of course should make clear that the 2014 tax year that will close Oct 2015 is not covered by our past agreement at all. I pointed this very fact out to you when I initially proposed a multi year agreement

right out of the box. you said you preferred not. As you said ,I have produced results to date, far in excess of even my own exalted opinion of my projections. I have devoted a monumental amount of my limited amount of time-- way, way in excess of our agreement. I will be fair, I am willing to roll in the amount still outstanding from last year if that helps .. However, As my best student , and my only one, you are now capable of doing most, if not all, of the required work yourself. I can put my whiteboard away when you come to eat and just have fun, trade stories,. share moments ideas etc. . I am of course always available to guide you as a friend if you choose that route . always . It will take a great deal of your time , but you will not have to spend any more money on mine .
We are scheduled to meet fri at 430 , I leave at 5 am sat morning.

--

Date: Wed, Nov 4, 2015 at 4:45 AM
Subject:
To: Melanie Spinella <[redacted]>
okay, its time for you to decide how you would like to move forward. (fyi get your money from the 1031 . the screw up is only one of many,) If you decide to move foward on decanting. phaidon, note basis estate update , each requires many carefully orchestrated detailed steps. and precision . there are hundreds of millions in saving if done correctly and a huge mess if not. If you want me and my colleagues to do it , oversee it paper it and guide it, you should tell me. It is a big undertaking . If not , ok .. Brad and your crew can do it. I will have no real further involvement apart from confirming the outcome of my proposed structure, I will not risk the admonition of- they thought you said, they thought you meant, they understood it to be. but they said you said, (i e ,I asked at our meeting that accounting be done properly for bens house , what came back was ada thought that I meant that we needed to go back to the 97 trust and give him a full third party accounting of where his money had gone??!! I kid you not). I dont think brad should talk to jane heller without a fully fleshed out plan in place and even then it should be you.

Date: Wed, Nov 11, 2015 at 10:59 AM
Subject:
To: Richard Joslin <[redacted]>, Joe Avantario <[redacted]>, Brad Wechsler <[redacted]>
lets calculate the exact payoff amount for the leon note as of nov 30 ,DEC1 , dec 31. 1) does art space get folded in to phaidon. . middle cos disolved.? 2 collapse topco etc
open bank accounts for apoo
interest will be approx 50k per day . look at deduction.
note payoff docs- notaries . new docs. releases ? , accountings? disclosures? (gaming ?) art partnership . renew. will? repaper lease guarantees? macfarlanes. ? do we pay down 10m. of plane. ? proposal for airplane , 91 , 135. exec , jet. .? remove debra. from plane?

Date: Wed, Nov 11, 2015 at 11:00 AM
Subject:
To: Melanie Spinella <[redacted]>
we should discuss e trust and j black trust. , brad buying phaidon. artspace folding ? plane/ boat. foundation.

Date: Wed, Nov 11, 2015 at 9:09 PM
Subject:
To: Melanie Spinella <[redacted]>

we need to coordinate. brad bank, cannot be clumsy

Date: Fri, Nov 20, 2015 at 10:50 AM
Subject: agenda
To: Melanie Spinella <[redacted]
1. brad or richard. makes litte difference. 2. gagosian . no written contract??!! fishy to me - who transfers 100 million dollars overseas without a contract ,- dont want you pulled into a scandal. careful especially as he is on the tax dept radar, . 3. I would like you to delineate what you would like me to do - the more specificity the better.- I think it important to avoid any misunderstandings as to each of our obligations and responsbilities. I will always give you my best advice. I have made my views re ada and the office clear . no hedging. . THEY should go. no hesitation . no zeus, your choice obviously. good news - I will not bring it up again. moving forward- These transactions will require a great deal of manpower over the next holiday month, every document needs minute review. . I would like to fix our fee agreement , in detail no later than this weekend . ie amounts , dates paid . entities paid. any concept you may have of" after care"? all on the table. .other questions such as how much to leave your children ,in what form, has no right answer. but you and I can dialougue as long as you like about issues of judgement. it is out of o friendship. not biz. (bill hellman as a trustee?) . we can talk about that during walks etc . I would like for you and I to go back to having fun.

Date: Mon, Nov 23, 2015 at 11:53 AM
Subject:
To: Melanie Spinella <[redacted]>
25 minutes needed. 1 new and vastly improved plan, needs your thoughtful input. decisions on legacy paintings bronzes. books etc. 2. we need to reach fee agreement. and authorities.(alan and I spent time over the weekend,) , hundred documents to be drafted. 3. gagosiaon 4 revolver . 5 inspire - FBI . 6. Phaidon, solution. 7 plane. no need to reinvent the wheel. . (rowen).

Date: Tue, Nov 24, 2015 at 2:41 PM
Subject: Fwd: Loan
To: Melanie Spinella <[redacted]>
Please talk to him

Date: Tuesday, 24 November 2015
Subject: Loan
To: Jeffrey Epstein <jeevacation@gmail.com>
Cc: Melanie Spinella <[redacted]>, "Alan S. Halperin" <[redacted]>, Ada Clapp <[redacted]>, Joe Avantario <[redacted]>
Jeffrey-given the high daily interest cost (50k+/-) on $$ borrowed which you pointed out yesterday, here's what I'm thinking, but I want to be 100% on the same page as you:
1. Close next monday on the credit line, but don't borrow any $$. (We can, of course push closing back but my preference wld be to close.)
2. Right now, at barry's request, Irene Steiner, on behalf of the trustees is reviewing apo1 and apo-o1. While probably not impt on a "substantive" basis it was (a) impt to barry and (b) is likely good for leon.
3. We are hoping to have signature pages to the trustees (and returned to us) by early to mid next week. (Ada will oversee.)
4. We will then get the new trust to bofa who, moving quickly (according to them), will have an acct open the following week, 12/7-9.
5. We need to manage execution of paperwork associated with decanting which I assume occurs once apo-o1 and bank acct are operative. (Ada I'm sure you'll be on top of this).

6. I assume we will move $$ to pay down loan the day or day after (?) apo-01 bank acct open. As you know we cld do this as early as next monday/tuesday but then cash will be sitting in apo-1 while we're waiting for apo-01 bank acct.
7. If there are sales of assets (or llc's) from leon to apo1 or apo-01 that needs to be buttoned down and organized asap.
8. Same if you want another NEW trust in the mix as that will involve paperwork and opening an acct with bank.
Let's discuss to make sure we're on the same page on process. B
Sent from my Verizon Wireless BlackBerry

Date: Mon, Nov 30, 2015 at 5:21 PM
Subject: agenda
To: Melanie Spinella <[redacted]>
1 fees, amount and to what entities when and responsiblitis. 2. gagosian idea to save a minimum of 10 mill and maybe more. 3. i can walk you through carlyns screw up, 50 % would have made little difference and maybe made it worse . 4. we should have an all hands meeting with your family to talk about art distribution on death. . 5. phaidon, decantings (already firmly in progress) loans. (alan) pent. (with follow up) all part of same elegant transaction, 6 asymetric risk worth at least 50- 60 no matter how you calculate. I can explain. 7 lets get the money issue out of the way once and for all. I have my team set to start.

Date: Tue, Dec 1, 2015 at 12:26 PM
Subject:
To: Brad Wechsler <[redacted]>

I would like to consider the gaming commmison disclosure dates. . 2 we should put to bed once and for all adas concerns re the bronzes. . alan should opine on valuation ranges? rather than estimates. . 3. Leons input re gagosian purchase. (trade in , 1031 if 17 likely transfer- . scream, phaidon. plane and boat. 4. I would like to review all assignment docs. decanting schedules. (exhibits). balance sheets for apo1-2 . . loan docs re transfer of narrows inside . 5. Leon should be clear regard future steps . pent etc. swaps , paydowns 6 mock-ups of all before trigger pull.

Date: Wed, Oct 28, 2015 at 12:56 AM
Subject: Fwd: Detailed constructive list.
To: Lesley Groff <[redacted]>
please print two copes . re formattted so leon can go line by line ie . heading s question, gift answer. blank who responsible. time frame. fee paid when?

Date: Tue, Oct 27, 2015 at 6:35 AM
Subject: Detailed constructive list.
To: Melanie Spinella <[redacted]>
Cc: Brad Wechsler <[redacted]>
Deciisions needed asap 1 phaidon. topco etc. . (cash needs) many wires needed !! 2 new trustee or not. - new decantings 3 art in art partnership.??! .overdue ?! 4 grats? window - 5 art space. .6 regan arts. .7 plane simplify re strucuture re finance. re purpose . 8 .boat restrucutre , sister, 9 re fresh estate plan. to consider modifications Alex Victoria equal does not mean same. 10. tra review , sale. , 11 brh, doc review, 12. sale of stock or art ? tax, rent sale 13 . gifts of art. 14. charity current and future pledges , gifts, 15 cash flow. . 16 . new IT and new personnel. 17. operational re-do (bill pay

etc) . 18 debra and children ? current and future involvement . notifications etc. . new dynasty trust ? 19. tax plan and dislosures gaming. foreign apollo and phaidon related . 20. investments rationalize incl trading accouints . 21. bank loans . rates ? ? terms etc. consolidate. plane boat houses. disclosures? 22 . consolidate and review and reduce the number of all bank accounts and legal entities. decanting liquidating etc. . 23 all outside consultants? valuations etc. 24 review legal bills carefullly. 25. third party responsibilty Bens house , alex films . etc.

ate: Fri, Dec 4, 2015 at 2:07 PM
Subject: Fwd: moving forward
To: Melanie Spinella <[redacted]>
I had forgotten that Alan was actually at the table when i explained my note deal to you. it was at the end of the meeting described below. . as you will recall , not once , not even a peep did alan suggest contemporaneously his hand in the crafting, in fact brad said it was an idea. that HE brad, HAD HAD , from the begiining . my emails between alan and I that you can read , further confirm authorship. Im sure you recall the obnoxious tooting when alan said he agreed with my plan. .

Date: Mon, Nov 2, 2015 at 10:03 PM
Subject: moving forward
To: Melanie Spinella <[redacted]>
I have mixed emotions about what transpired today. really, You saw first hand in nauseating detail what i have been saying to you for quite a while now. Joslins answers were totally incomprehensible. the charts he prepared unreadable. Brads defensive posture was at a minum very surprising . He and I have recently gotten along quite well , I thought . Neither Joslin or Brad understood a 180 million dollar number . no cash flow after weeks of requesting? odd. when you suggested that heathers behavior was emblematic of a sloppy office , brad said lets not talk about emblems??! bill pay , admittedly no change for the year. . plane not done. though it was the only thing i suggested doing first in july . . I sent you a list of 10 consultantts. brad said three, . i didnt want to push it. I was shocked that brad was opining on things he knows little or nothing about. tax issues. 1031. neg basis , note payoffs (the same idea he said he had had from the beggining??!!) . answers re LBF holdings that can be corrected (they cant) . valuations that have never been read. . When we met in your lobby he seems surprised that i was there. I dont know if he felt somewhat sandbagged. . .
the savings on the note payoff is aprrox 33 % of 1.8 billion. real money if you do phaidon which i see no reason not to . if later josh and ben want to buy it back with you or without you they can. i will walk you through the structure one on one. . the losses will offeset the calder gain as well as apollo gain.
Im aware that seeing what you saw frustrated you. I felt badly for you.

You wanted a contingent deal. real value. etc. I will not of course hold you to your deal . . its silly. its not how i work or a reflection of our friendship. my proposal is as follows. I want away from your buisiness , but at the same time leaving you in good shape. I think you should pay the 25m that you did not for this year. for next year its the same 40 m as always, paid 20 in jan and 20 in july, and then we are done. I will give you advice and counsel but new people will be running your operating machine. I will oversee all the work that needs to be done you and I will hire new people , and it will be self running. (it was may in my house when you told brad it had been 5 months and you were getting fed up) I will set up a parallel . office , somenoe like wendy dolman or her quality is paramount. two accountants two bookeepers and two office admins. . alan and zoe will handle trusts and grats. heatehr diana george will be incolved in art partnership. if you want brad, analysts etc. and kids to do investments I have little to add in that regard ,except to be able to account for things properly. I suggest that the kids must have skin in any deal.
Alternatively , we can continue to focus on fun and let someone else do the things that you want done.

and you and I can kibbitz about it all. structures outcomes risk, museums. charity, (joslins answer by the way was I had asked how much charity was leon planining to give this year , (the 2 m) he didnt include your foundation or the payment to me, or from debra and you??!!

Date: Mon, Dec 7, 2015 at 5:39 PM
Subject: Fee
To: Melanie Spinella <[redacted]>
Amount ? Paid in kind ? Financed ? Plane ?Paid to ? Non charity , charity . Fixed dates

Date: Mon, Dec 7, 2015 at 8:05 PM
Subject:
To: Melanie Spinella <[redacted]>
please re iterate that no further actions taken without careful document review. please

Subject:
To: Melanie Spinella <[redacted]>
Leon,

As you are well aware, There is little I won't do for you, or at least try to do as a friend, and a great deal that I have already done (both known and some things that willneed to remain unknown.) Our arrangement was for me to architect sophisticated structures that would be beneficial to you. that is what I have done and will continue do in order to fulfill my obligations under our agreement. The discovered fact that you in reality need an entire family office built from scratch has been trying I have aleady agreed de- facto to try to help. I would suggest that Phaidons payroll and attention pales in importance to your personal structure,which has taken a back seat, Some of my suggestions regarding the Eysium office are as follows you will need a budget of 3- 5 million per year. CEO 1 million, new tax person to work with rich, 250. new bookkeeper ,200 new paralegal to work with ADA ALan etc , coordinating with Apollo, Akin , paul weiss , new acct openings , sec filings , sales tax review, etc. $150 . art point person. loan , inventory, purchasing support, $?? software servers. video conferencing, tax oversight.

I believe You should rapidly address trustees , gift trust, succesion, wills of debra and children, , monetization events , cash flow. etc I can of course share my experiences with you on each issue.

WIth regard the more pressing issue I am uncertain of just how to proceed. I am torn, as my very strong inclination is not to be involved at all . It is extremely time consuming, delicate, fraught with many pitfall many that will make you very upset and a major pain in the ass. I wrote you months ago that the quality of the people involved need to be upgraded. (lucky for me these last issues arose way before the begining of my involvement) I am also aware however of my overarching friendship obligations of ok, - given all the complexities who else can do it? problem.

Your family office needs a daddy. children with good intentions are running around , sniping , nitpicking with little direction. As a stopgap measure I am suggesting , we put in Larry Delson to take charge Everyone would report to him. eileen included. He would however work for me. this is not, by a long shot my first choice as I prefer only being responsible and standing behind my own personal work (ie the word DONE will no longer be transmitted to reflect status stated by others)

With no commitment on my part whatsoever, to do it. So far as I have failed in my attempt in trying to think through the problem creatively . My organizations handling of the more complex isssues I believe you might find very costly, very ! (however many structures available some risk sharing, maybe risk caps ,etc) but would require my teams doing the work , not yours. Ada should be only a trust, grat administrator. not sure what role you prefer for Eileen as you hired her initially to oversee investments. whether Rich your controller stays or not, is not urgent. having Tom report to a new person,- is.

coordination with Suydam Kathy gregory, I would suggest limiting to one person. The increasing public profile needs to be taken into consideration.
talk later..

Date: Sun, Dec 28, 2014 at 5:18 AM
Subject: jobs ahead
To: Brad Wechsler [redacted], Melanie Spinella <[redacted]>, Ada Clapp
<[redacted]>
1. review accounting system. Book keeping softaware. staff, (senior accountant) methods on line banking, brokerage. cash mgmt. airplane reimbursement. boat sale. art purchases sales use and sales tax. tax filings FBAR FATCA, gaming commsion, pfics, insurance . uk co law.
2. review docs for TRA BRH grats, trusts, heritage will, insurance, art lending. medical, springing powers. two fire drill books. one needed for injury. other for death
3 review bills . boats , planes, legal, (PW, McFarlands all outside. legal and accounting. Toms bills over 400k . house projects. south ny ben
4 cashflow projections tax projections , interaction with Apollo accounting tax, Phaidon ,art space ,and Regan. legal accounting. audit
5. children meetings , review to date and allocations
6 review all role in payables. files scanned, no paper
7 review invesmtents for tax basis and unrecognized gain
8 schedule of all hedge funds . redeemables commitments etc.
9 charities pledges strucutre, staff ,

Date: Fri, Feb 20, 2015 at 5:52 AM
Subject:
To: Melanie Spinella <[redacted]>
1) pg 1 A " unequal shares" . pg 23 "removal of trustees " absolute. dont be confused with abiltiy to set up seperate trusts, , 2) I am reachable this afternoon in europe. on cell. 3. on another note . -our financial agreement ended months ago . seperate from the art partnership (which i was told yesterday to my amazement is still not funded) . i am obligated to complete ? the time i have dedicated since oct/ dec has been spent mainly as your friend. tom, brad though i am fully cognizant of my responsiblities. I will try to help find people. I am not good at human resources. howevr If I don;t think they are good enough for you. I will continue to say so , and you obviously decide. but I will reiterrate even in the face of your "nobody is good enough argument." keeping foremost in my mind that you and I have only beeen shown a very tiny handful of people. 4. I find the friction over fees , counterproductive. in an attempt to avoid it I had suggested a multi year deal early on. you rejected it. I then suggested, and urged you to have an option at a fixed fee , you also rejected that .you wanted the fee payment only at the end I argued but ,conceded. I suggested a structure that tom didn't like. you rejected it . 5 I suggest you make a fair proposal.- that i can either accept or reject. some payment up front this time is a requirement. I am willing to modify any outstanding obligations. - there are creative ways to assure you of your desired characterization of those payments. 6 you should open accts at Deutsh . and goldman. I am told that eilleen has set up over one hundred bank acccts for you???!!. few relevant 7 you should immediatly demand a list of all her acct authorites , exec poistions . director etc. bank authorizsations. etc. talk later or over the weekend if you like

Date: Wed, Dec 9, 2015 at 10:16 AM
Subject: Fwd:
To: Jeffrey Epstein <jeevacation@gmail.com>
kkkjkjjjkjjyou said

Date: Tue, Feb 24, 2015 at 8:20 AM
Subject:
To: Melanie Spinella [redacted]
Leon,

Yesterday , I again spent hours upon hours of my time with your office. ,(speak to brad to get flavor) and you and i will discuss the results in gory gruesome detail on Friday. it mirrored many other weeks spent doing the things that I don;t have the time to do.

In order to keep things in perspective, maybe reviewing an analogy I have used before with you, might be helpful. You and your family are a 6 billion dollar corp. with an income between 250 -500 million dollars per year. It contains a few operating biz's , a large wide array of existing investments, in various categories , a desire to enter into others. A panoply of loans, notes. purchases, wide range of all types of taxes. , planes. boats homes. . trusts ,grats. a crazy number of bank accts. (with no oversight) . law firms, acct firms, 800 page tax returns, foreign firms. art consultants. construction consultants bill payers, home mgmt.,vast multitude of llc's , including foreign, and with all that you only have a combined overhead of less that 3 million dollars.

I have previously sent you the very same note that i have enclosed again below ,this time with highlights . I wrote it to you over a year ago. As my acute disability (selective memory) seems to have been raised as one of your concerns , as a rule I try to memorialize things in writing in an attempt to lay out issues that I fear may later turn out to be a problem. ie what i would and wouldn't do , - my responsibilities. etc and those things that are not. below you will find details of things that I thought needed to be done, so that you wouldn't find yourself in the very place where you currently find yourself. however ,you chose to defer many of my suggestions- see below -,until only weeks ago. ! you chose to defer the jpm acct. the art partnership on and on - into this year. and though the 60- 50 40 timber emails all carried with it a clear warning that you needed to do something re personnel if it were to stabilize,- you chose to wait.

ONE YEAR AGO
Feb 17 2014 i wrote :

With regard the more pressing issue I am uncertain of just how to proceed. I am torn, as my very strong inclination is not to be involved at all . It is extremely time consuming, delicate, fraught with many pitfall many that will make you very upset and a major pain in the ass. I wrote you months ago that the quality of the people involved need to be upgraded. (lucky for me these last issues arose way before the beginning of my involvement) I am also aware however of my overarching friendship obligations of ok, -given all the complexities who else can do it? problem.
Your family office needs a daddy. children with good intentions are running around , sniping , nitpicking with little direction. As a stopgap measure I am suggesting , we put in Larry Delson to take charge Everyone would report to him. Eileen included. He would however work for me. this is not, by a long shot my first choice as I prefer only being responsible and standing behind my own personal work (ie the word DONE will no longer be transmitted to reflect status stated by others)

With no commitment on my part whatsoever, to do it. So far as I have failed in my attempt in trying to think through the problem creatively . My organizations handling of the more complex issues I believe you might find very costly, very ! (however many structures available some risk sharing, maybe risk caps ,etc) but would require my teams doing the work , not yours. Ada should be only a trust, grat administrator. not sure what role you prefer for Eileen as you hired her initially to oversee investments. whether Rich your controller stays or not, is not urgent. having Tom report to a new person,- is. coordination with Suydam Kathy Gregory, I would suggest limiting to one person. The increasing public profile needs to be taken into consideration.

TODAY

With your acquiesence , Eileen did not report to Delson (he acting as a conduit directly to me) , she continued to provide bad info to both you (cash flows , stock accts, structures. sales Etc) and me. and each time with my many annoying calls to you made immediately afterwards that she was g.....y !! No one was hired to run YOUR office until two months ago , no one was even interviewed and even now , Brad, a very nice man, is not even full time,(crazy) Hours upon hours of time need to be spent training him . and his new staff. Eileen followed your instructions. not mine. in fact she continued to ignore mine saying " but Leon said " or " its on Leon's desk etc " , You would become frustrated when i pointed out each instance. of her obfuscation. originally you were given the clear choice, but to save money ,you chose not to hire my team . I was hired to do the architecture, you kept your own team. with Eileen at the head. instructions were given by me, , detailed but ignored by her. (except in the instances where I inserted myself and personally had to do the weeks of grunt work),ex. jpm morgan acct still not in use? That being said, If you do the cold calculation ,starting from where you were, to where you are currently . you have made a hell of a deal. -- negotiating down my original amount requested , calling upon our friendship and suggesting that the Carlyn mess was partially my fault. (though in that specific example , I had never been asked to do more than merely provide you the name of the most highly recognized atty in the field, not consulted,nor even asked again for my guidance along the way.). I accepted the discount as your friend. (by the way ,,suggesting now, that your Tom is now that last word on tax characterization, frankly is a bit much,-). however - that is all in the past.

In order to move forward

I would ask that you realize that very unlike yours, My business is only comprised of my personal attention and my personal time . Time that I was forced to grossly overspend on your various issues last year. . As you are my very close friend I will not have you participate in a bidding process that I have decided i will have this year for my time . (hopefully a more fair way to allocate) I would also ask that you keep in mind that though our deal expired months ago. (also keeping in mind , that your understanding of the final payment terms neither reflected the emails or my memory, we finished it up your way.) I have answered every call Brad , joslin, Ada or you, have made . reviewed docs over and over/ until once again, I was forced to insert myself strongly as I thought it dangerous not to. I made serious dollar and time concessions last year.very serious I am wiling to continue to accommodate some of your concerns , but I am, under no circumstances , none, willing to spend my time for free. its not fair. After cleaning up Carlyn's mess , which was a few weeks and 30 million dollars . We were both highly aware of the dire circumstances in which you found yourself last year, and in fact due predominately to its seriousness. and those very circumstances I took extra care in our negotiations . (you had claimed I had you over a barrel , (a horrible position to be in with my very close friend.), unfortunately I fear that if you are not cautious ,in the near future, another barrel will appear of your own design)

I heard you when you said you believed i had already been paid for the work that is now required. The art partnership has fully answered all your concerns and discharged all my obligations and more so. . (FYI Carlyns art partnership that you referenced is similar in only its title.) You will also recall that you required that my payments be at the end of my work not at the beginning as everyone else's .(my work was never to include hours upon hours of training your staff). I eventually agreed, this of

course should make clear that the 2014 tax year that will close Oct 2015 is not covered by our past agreement at all. I pointed this very fact out to you when I initially proposed a multi year agreement right out of the box. you said you preferred not. As you said ,I have produced results to date, far in excess of even my own exalted opinion of my projections. I have devoted a monumental amount of my limited amount of time-- way, way in excess of our agreement. I will be fair, I am willing to roll in the amount still outstanding from last year if that helps .. However, As my best student , and my only one, you are now capable of doing most, if not all, of the required work yourself. I can put my whiteboard away when you come to eat and just have fun, trade stories,. share moments ideas etc. . I am of course always available to guide you as a friend if you choose that route . always . It will take a great deal of your time , but you will not have to spend any more money on mine .
We are scheduled to meet fri at 430 , I leave at 5 am sat morning.

Date: Fri, Dec 11, 2015 at 12:19 AM
Subject: Re: Fw: sched
To: "jeevacation@gmail.com" <jeevacation@gmail.com>
Cc: "[redacted],
"[redacted]

Jeffrey-joe tells me you want this to go live on 12/21. Possible, but an awful lot has to go right next week logistically for everything to fall into place. We'll try....

From: Brad Wechsler
Sent: Thursday, December 10, 2015 05:36 PM
To: 'jeevacation@gmail.com' <jeevacation@gmail.com>
Cc: [redacted]
Subject: Fw: Fw: sched

On different subject: general time frame is: docs (notes and purchase and sale agreement to you tomorrow end of biz); incorporate your comments monday and get docs to trust attorney tuesday; contemporaneously meet in person with you tuesday or wednesday and do a dry run. On these days ada will also take the trustees through outline of docs they will receive thursday. Docs to trustees, leon et al on thursday and signatures gathered by friday for first close 12/22. Tight but doable. Ada, alan agree?
PS: ada, you shld begin to think abt where people are (jh, rr, bc, ldb) next week.

From: Heather Gray [mailto[redacted]
Sent: Thursday, December 10, 2015 05:24 PM
To: Brad Wechsler
Cc: Jeffrey Epstein (jeevacation@gmail.com) <jeevacation@gmail.com>
Subject: RE: Fw:

Subject: Re: Fw: sched
Barry-what we're going to do with jeffrey will be "small picture" and detailed. It might be better for you

and jeffrey to have a higher level conversation some time next week; either way you'll have access to everything, obviously.

From: Barry J. Cohen [mailto[redacted]
Sent: Thursday, December 10, 2015 05:55 PM
To: Brad Wechsler
Subject: RE: Fw: sched
I wouldn't mind attending a meeting or portion of a meeting with JE. If he is the mastermind, and you want to move quickly, it might get a lot of questions resolved quickly.

From: Brad Wechsler [mailto:[redacted]
Sent: Thursday, December 10, 2015 5:37 PM
To: 'jeevacation@gmail.com'
Cc: [redacted]Melanie Spinella; Barry J. Cohen
Subject: Fw: Fw: sched
On different subject: general time frame is: docs (notes and purchase and sale agreement to you tomorrow end of biz); incorporate your comments monday and get docs to trust attorney tuesday; contemporaneously meet in person with you tuesday or wednesday and do a dry run. On these days ada will also take the trustees through outline of docs they will receive thursday. Docs to trustees, leon et al on thursday and signatures gathered by friday for first close 12/22. Tight but doable. Ada, alan agree?
PS: ada, you shld begin to think abt where people are (jh, rr, bc, ldb) next week.

From: Heather Gray [mailto[redacted]]
Sent: Thursday, December 10, 2015 05:24 PM
To: Brad Wechsler
Cc: Jeffrey Epstein (jeevacation@gmail.com<mailto:jeevacation@gmail.com>)
<jeevacation@gmail.com<mailto:jeevacation@gmail.com>>
Subject: RE: Fw:
No, I'm meeting with him at 9:30 am tomorrow.

Date: Fri, Dec 11, 2015 at 9:49 AM
Subject: fee
To: Melanie Spinella <[redacted]>
elegant solution ;re fee. , 30 million paid now. with purchase of noel kalb, paid with funds from the drawdown. you should use and keep open the line for the full 30m and leave it outstanding until its expiration. in four months. legit biz reason, very nice , - the balance of the fee - paid in kind either low basis art . or interest in either milenium ,lone cascade ,or king street.

Date: Tue, Apr 14, 2015 at 5:53 PM
Subject:
To: Melanie Spinella <[redacted]

saved you 500k at the last minute, . brad has had the same chart since march 16th, its his job to review NOT MINE .appears he is one of those living in the dark leiwe. I found 8 million dollars today, missed deductions. . not yet in the numbers, .?

Date: Wed, Apr 15, 2015 at 8:59 AM
Subject:
To: Melanie Spinella <[redacted]>

1 did the paul weiss bill get paid ??? 2. Talk to me before signing anything today important
10m paid today to gratitude america, a 501 c 3, willl make last year complete. 20 million paid today ftc . 10 million july 15 5 million sept 30. , 5 million jan 1 for all of 16 . tax savings paid at 37 percent . of net. savings. 50 million credit. net. so 150 million free . 600 savings 225 million owed. - 50 credit, 175 owed.

Date: Mon, May 18, 2015 at 8:17 AM
Subject: agenda for tomorrrow
To: Jeffrey Epstein <jeevacation@gmail.com>, Melanie Spinella <[redacted]>
as a reflection on your voiced spirited concerns in the what have you done for me lately category ?))::
.

in the beginning . there was eileen and tom. (eve and adam,-- however it appears, she declined to eat the apple from the knowledge tree)
. that was it. ada was at the bank but reviewing docs. carlyn was in the kitchen making mush (abel and cain)
books as they were mystersiously called was being kept soley by eileen, with little or no input ,correction or advice from tom. herarely if ever asked questions. expenses ie airplane was done in house apollo. (1031 exchange blown etc) at this time
as I recall you got quite annoyed, and agressive and initiated the" talking out of the both sides of your mouth " tiddy, when i suggested that the level of their competence left much to be desired. (ralph lerner's came later) .response - eileen ran the desk, tom is a partner, ralph wrote the book etc
re tax there was almost no oversight of income, estate, gift ,sales and use, transfer excise etc . IRS SEC GAMING NYS. real estate, valuations (many)tax filings- disclosures, etc. re grats trusts defect trusts, llcs corps , trustees , partnerships. foreign corps. 100 bank accounts. gift taxes, , loans, notes. payables. expenses. . , insurance.(life , art, split dollar), cashflows, operating biz, , investments, contingent liabilitiites.(funds , miami) , commitments dividends, BRH TRA, shareholder agreements, bank loan agreements. wills, construction, , contracts planning permits etc..employ rules. checking account reconciliations, crediti cards. jewelry , cost basis ,(art stock etc.) foundations regs , brokerage accts, old stock certificates. stock options,(environmental solutions still not done !). estate tax calcualtion firedrill, (note ,basis etc) low basis , step ups , however with no accounting system, no reveiw of boat expenses plane expenses etc. . many outside counsel with litle or no coordination. Paul Weisss , Mcdermit Will, Macfarlanes. Price Waterhouse , Reich, withers bergman, Empire, , akin gump, bbd seidman, Wendy , Apollo in house .
lumber, knowledge universe, ennvironmental, solutions 12 mii in stock, . on and on
the priority list that you asked me to prepare for brad and you in dec , unfortunatlleyso far , little change ie no accounting system that ties, no, brokerage accounts though strongly suggested , jpm db, gs, april of 2014 . IT antiquated
dagastino hired , no inut from me, julie, temps, paralegals miriam . etc.

still need new accounting system - on line banking . staff hires. (seprate from samantha two years out of school). audit system, . ?? john murphy? joslin? dag? eva? . i strongly suggest workers at the highest level of competence. two senior accountants. not managers workers who will get into the weeds. partn expertise, , replace ava, get heather help. a new person legal , new IT,system and person, way way overdue, new receptionist, bill opener, ability to oeversee
in house, boat plane review household (12million) review, filings- partnerhip accounting,- familitarity with grats, trusts etc . audit system put in place. that should be the easy part. then strategy to deal with :

As new facts on the ground develop , phaidon debra, children meeetings, ? stock sale sale of art, , apt(large gain), 1031 trade in , plane depreciation, boat sale. construction , brad will oversee brokerage and investment, ?? pe. real es, . publishing, grats, tra, brh (death). foundation , museum, tax proejctions cash flow projections, cooridnation with tax from apollo. etc

Date: Thu, May 28, 2015 at 8:53 PM
Subject: ulysses 2.0
To: Melanie Spinella <[redacted]>
I realize it is only due to a lack of understanind of the job ahead. and not out of any sense of unwillingess to pay
- as opposed to merely hiring people to set up a family office, someone will have to do the following- separate from the art partnership which is my responsiblity . there still needs to be a huge amount of work done for 2015,16. not to mention that brad at the moment is going to have train the incoming team?? your call
strategic decisions re estate and other planning , sale of phaidon etc. . in addition setting up for the accounting for each strategy ie.:
income, estate, gift ,sales and use, transfer excise picasso, 1031 calder. . review and detailed oversite of IRS SEC GAMING NYS. real estate, entity valuations (many) tax filings- disclosures, follow up of grats, trusts ,defective trusts, llcs corps , trustees , partnerships. foreign corps. 100 bank account need to be rationalized, not only having brad step in to children investments . gift taxes, trust , loans, notes. payables. expenses allocations . . , insurance.(life , art, split dollar), cashflows, operating biz, , investments, contingent liabilitiites.(funds , miami) , commitments funds and charities , dividend treatment -important review of transcations relating to BRH (amendments) TRA sale (nuanced) , shareholder agreements, bank loan agreements new bank relationships. . wills, construction accounting and oversite , contracts planning permits etc..employee rules, regs, . checking account reconciliations, crediti cards. jewelry , cost basis ,(art stock etc.) foundations regs , brokerage accts, . stock options,(ie environmental solutions still not done !). estate tax calcualtion firedrill, (note ,basis etc) review of boat expenses plane expenses, depreciation issues refunds etc. . rationalize all outside counsels and accounting firms
Paul Weisss , Mcdermit Will, Macfarlanes. Price Waterhouse , Reich, withers bergman, Empire, , akin gump, bbd seidman, , Apollo in house counsel.
set up and oversee brokerage accounts at JPM DB GS and thoughfullly trade
. new IT system from top to bottom full time IT person
new accounting system - on- line banking cooridnated with reports . fire drills as per caruci (he sounds good) and . audit system,s . review of john murphy? joslin? dag? eva? .
in house, review household (12million) review, filings- partnerhip accounting,- familitarity with grats, trusts etc . audit system put in place. that should be the easy part. then strategy re:
As new facts on the ground develop , phaidon debra, children meeetings, involvment , trustees adjusted, stock sale sale of art, , apt(large gain), 1031 trade in , plane depreciation, boat sale. construction , brad will oversee brokerage and investment, ?? pe?. real estate?, . publishing, grats, tra, brh (death). foundation , museum, tax proejctions cash flow projections, cooridnation with tax from apollo. etc
you are sitting on over 100 m of cash???!!

Date: Fri, Jan 2, 2015 at 2:55 PM
Subject:
To: Melanie Spinella <[redacted]>
Leon, I decided last week that there was little or no upside in disturbing your well earned holiday

especiaily as you seemed so peaceful happy and smiley ,getting yourself in shape and truly enjoying your family time. etc. however the situation in your family office is unresolved. I am aware that brad starts monday howvver, two last days of the year madness. timber.deal not complete no jpm,acct activity no partnership docs , old stock sales not complete , no bank doc redo. no phaidon note restructure, ., no boat expense review. airplane same ,topco midco.etc still not finished (trustee) , projections mixed with fiction. , legal exp out of control. no care for admin, silly (audit). tom conversation with joslin. notes. debra, trustee notes. trustees hiring . bens audit. interest payable made hoopjumping last day of year. after weeks and months. of lectures , gifts to discuss- staff. -houseproject mgmt. . I will continue to try , I had offered ajoint call with eileen before you left. as i said before , joslin takes instructions from eileen. he said it was made clear to him that he doesn't work for me but works for you. . I tried.

Date: Tue, Dec 29, 2015 at 7:26 AM
Subject: Fwd: leon DO NOT SEND, hand deliver.
To: Jeffrey Epstein <jeevacation@gmail.com>
Transaction complete !
. this - in spite of your collection of Elysium misfits. !!!
With Brad out of the office and unable to run his usual interference , the level of his utter incompetence was brought front and center, he may be a step up from Eileen, but if he is , then it is not certainly not by much, . Though you and I have spent many many hours discussing the importance of details and mechanics. I was not shown one document re phaidon,- not one.. Brad wanted to keep it private between he and his so called " advisors " however as he was out of the office during the most important transaction of the year, I did get to spend time with joslin Joe and john, - the situation in your office is wholly ludicrous - to summarize - the list I provided to Brad last December - things I thought were a priority to get done after consulting with your office still remains virtually undone.

IT, still desperately needed- reporting flawed cumbersome and inaccurate . all done by hand as one -off exercises , - airplane: re structure, (my only suggested priority in june) is really ,no further ahead, ,consultants up the kazoo but nothing at all done.(the office was told that i cannot even see the proposals received without brads specific authorization) - brad has no idea even as to what questions to ask. he knows little of finance, is run roughshod over by almost everyone in the office. he is a little man , using your power, to appear larger . Eileen was self aware enough to know she was over her head , that is a huge difference. bad info is rampant ie 3 million in deductions Im told are taken for art space but on closer examination it turns out they cannot be used at all. (ZERO benefit) though you will be told yes they were deducted on the return they said that is the question they get asked ! " were they deducted " not -" is there a benefit " !! I asked for the balance sheet and P and L for Regan arts , a basic first step in order to check your financials. "sorry we never got one?" though 9.8 million invested, no p&l, nothing , a construction project run amok , no budget, the coo fired after only 3 months. , no clue . I can add that artspace financials are also a total mess.
As your friend and in order toturn the page. I will try to be constructive
The following is a list of things I think would be in your interest to get done asap .but definitely not by me .

i suggest you form new grats. , hire a high level tax partner. use your trading accounts as they remain the paramount requirement 16 months after i emailed to you their importance. , I suggest you consider having the 49percent of phaidon merged into artspance and have Richard buy artspace. re-do bank loans. no need to pay interest at higher rates on boat or plane. . as Richard is now no longer trustee. re-do will, make suydam executor , with Barry, and john as back up. pay 1 million a year for executor role. get rid of Judy Black trust, deal with gifts and their tax returns, . review amounts to kids at fixed ages. put more protections in for Alex and Victoria. , distribute some money to kids let them make decisions. , decide art division with children in attendance . have fire drill done on estate. fill out estate returns as if you and Debra died today, choose advisers - rick bronstein said the only 1040 he ever filled out was his own. (this is brads chosen advisor??!) Halperin has a conflict that should be addressed., Debra should enter a tenants in common agreement with kids. you have airplane consultants tax consultants it consultants. plane operation consultant. . boat consultants. architects, lighting , art, legal, . foundation , deal with TRA , BRH , rationalize investments. cash flow. reporting, gaming disclosures. foreign, gift. . prepare tax projections for 15 and 16, . deal with neg basis (tufts gain, debt financed. art partnership, pledges. sell stock , art, deal with phaidon debt. athene,? income , capital , foreign , exit, corporate, insurance regs, out and inbound issues, basis, appropriate discount rates. ? terminations. control. , qualified dividends. corporate tolls, inversion rules. , grat issues, short swing and other sec disclosures, Rothshcild bank, 150 b they have a distribution network with no products , private bank Rockefeller Rothschild. financial service. deal with UK visa issue sooner rather than later. we can talk about Rowen request re Athene , 2 billion in taxes on transaction. ?!

the facts as i see them
in June and then again Sept, we both agreed to a 50% of phaidon payout., then after weeks of thinking about the issue (which I fully understand) . the payout was unilaterally changed . 5m woudl be reserved for the future ? . and out of the remaining 15m ,? i would receive only 5. (note : I'm confident that both the debt , and the artspace investment will also lead to a write off of another 30 m. plus) In my dining room ,you were surprised when I said that i require most people to pay their advisory fee up front so that I am assured that I will be properly compensated for my work when strategies that I devise are implemented . you may recall that you appeared offended and said " are you suggesting that i would go back on my word " I said no , of course not ! you are my closest of friends ,but my experience is that when amounts get large, people tend to get unhappy when it actually comes time for them to pay ,.
From day zero a 50 - 60 million price was attached as the fair price of the transaction just completed . though this amount was already substantially less thanour agreed and negotiated formula. - I was never told that this was out of range. in fact, alternative methods of payment . plane -in-kind etc, were discussed (ie keeping the 30m portion of fee outstanding till March) ,I provided as requested a detailed step by step execution plan and reviewed all documents that i was given access to. (Phaidon was not forthcoming) in order to make my many corrections . I was then told that Alans involvement warranted a discount . Even in the best of light , though it is beyond question that not one-,not -one time in three years has he ever proposed a unique idea. (including the new tenant in common idea,) and lets say he made a contribution to the plan andeven that it was 50 %. though no one could posit such a large amount unless they were wearing a brightly colored clown suit. , the price of doing the deal was known . It had both sent in writing and spoken about on the phone numerous times , a detailed execution plan was provided . then and only then after all was laid out for the group I was told that after a number of conversations with brad karp that only 20m would be paid , (and even that was more than originally contemplated) for both transactions . I feel It was remarkably unfair. Did brad even know of our prior agreement.? I called him and he said he was never told.?, I would ask that you I and Brad karp sit together if you think it would be helpful. . I would like to send him this email, with your consent of course. If the transactions were never consummated , i would not be owed a dime, however , the price was known up front. , the detailed step by step plan was followed and overseen by me, the price that had been requested before the transaction was begun, and had lready heavily discounted, out of friendship, from our agreement . I believe the decision re paying only 20 m has frankly left me felling quite uneasy.

since you asked since last nov. i found 11 million dollars in dormant accounts. 4 million dollars in eileens drawer. . went through cash flows for phaidon shwoing that john murphy is not an accountant.

redid your gagosian contract , . organized structure in case of divorce. set up gift trust. stopped ada from including multiple times things not in your interest. dealt with bad sales tax use tax income tax . created 8 millino in deductions ,500k in mistakes , found bank of scotland fbar problems, . . reorg bad art purchases , funds taken, , charibale decustions , helped with fincnacil sttment gamoing commions fling. . boat deductions, rescued stock from grats. . may 1 after months of brad not finding anyone i sent an email saying you would have to pay more. . on april 15. I sent an email detailing payments owed if i could figure out the basis issue, please see attached, .

questions you might ask your team ask them to provide a balance sheet or p&l for REgan arts. . doesnt exist
ask . either wechsler or haperin to tell you what brh is, or how the tra works. . . ? as bronstein to tell you why the proposed phaidon transaction DOES not work. . as them to give you a plan for the plane. ? ask them to show you the cash mgmt for over 100 million dollars. . ask them to show you the IT system progress after one year. . the approval process for payables. . the cash flow projections? assumptions? ask for a comparative review of investments. ask haperin to describle to you in any detail BRH , the major asset of his two biggest clients. tax basis, disposiotion in the estate. . etc. ask brad to show you the liquidation of the inteveing art space cos? .

Last year you asked , for my help I told you I preferred not as we would be better off having no financial intereactions. the risk was not worth it. You told me that as my friend i had to do it I agreed., here we are in what I find to be an awkward situation. the transactions that i decvised were used , our agreement was ignored. and im not sure how to respond.

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---------- Forwarded message ----------
From: **jeffrey E.** <jeevacation@gmail.com>
Date: Tue, Apr 14, 2015 at 5:53 PM
Subject:
To: Melanie Spinella <[redacted]>

saved you 500k at the last minute, . brad has had the same chart since march 16th, its his job to review

NOT MINE .appears he is one of those living in the dark leiwe. I found 8 million dollars today, missed deductions. . not yet in the numbers, .?
---------- Forwarded message ----------
From: **jeffrey E.** <jeevacation@gmail.com>
Date: Wed, Apr 15, 2015 at 8:59 AM
Subject:
To: Melanie Spinella <[redacted]>
1 did the paul weiss bill get paid ??? 2. Talk to me before signing anything today important
10m paid today to gratitude america, a 501 c 3, willl make last year complete. 20 million paid today ftc . 10 million july 15 5 million sept 30. , 5 million jan 1 for all of 16 . tax savings paid at 37 percent . of net. savings. 50 million credit. net. so 150 million free . 600 savings 225 million owed. - 50 credit, 175 owed. **600 savings 225 million owed. - 50 credit, 175 owed.**

Date: Tue, Jan 5, 2016 at 6:36 PM
Subject: Fwd: leon DO NOT SEND, hand deliver.
To: Jeffrey Epstein <jeevacation@gmail.com>
Transaction complete !

When we had our meeting in your home in Bedford. You asked me for my help. I told you multiple times that i thought it was a very bad idea, in that I preferred to have no financial interactions. I dont have many friends and didnt want money to interefer with our unique relationship. For five years you had the kind but goofy Eileen Alexandersson managing your accounting , legal, investments. reporting, trusts etc. When I told you in no uncertain terms that I firmly believed she was incompetent you admonished me for " speaking out of both sides of my mouth " . With regard Brad Wechsler , there is no " both sides. ". I have consistantly maintained since day one that he was highly unsuited for the job. When you initially asked me to help convince him to take the role , promising him a postion to manage mirage investments I sent you a note saying instead you should pay up and get first class people. I have reiterated the same message for over a year now. . Brad , not me was tasked with hiring new people and as you wanted him to take ownership of the staff,he conducted many interviews. you may recall that as late as may, you told him in my presence that he had had six months and had not hired anyone. since then I have rectified errors in sales tax, use tax, income tax, fbar reporting, 1031 reporting, 8 million of deductions. ,(last nov) 11 million found in dormant accounts and 4 million in the drawer. errors in cash flow both personal and Phaidon. Oversight on new grats first at 22 and then at 19 that were done without my consulatation were resolved only as aresult of my intervention. . 600 million in after tax savings was just accomplished.

With Brad out of the office and unable to run his usual interference , the level of his total and utter incompetence was brought clearly , front and center. He may be a step up from Eileen, but, if he is , then it is certainly not by much, A major difference is that Eileen knew she was over her head. Brad struts his stupiditly whenever he gets a chance.

A critical example. - Though you and I have spent many many hours discussing the importance of care and attention to details and mechanics. with regard Phaidon I was not shown one single document , not one.!! Brad wanted to keep it private between he, and his so called " advisors " however as he was out of the office during the most important transaction of the year, I did get to spend time with joslin Joe and john, - the situation in your office is totally ludicrous - to summarize - the list I provided to Brad last December - of things I thought were a priority to get done - still remains in the whole unresolved.

The IT, is virtually untouched and is still in desperate need of a format - reporting flawed cumbersome and inaccurate . all done by hand as one -off exercises , when either you or brad ask for it - airplane: re structure, (my only suggested priority in june) is really ,no further ahead, ,consultants up the kazoo but nothing at all done.(the office was told by Brad not to share the outside proposals with me - brad has no idea even as to what questions to ask. he knows little of finance, is bullshitted over by almost everyone in the office. a little man , using your power, to appear larger . Eileen was self aware enough to know she was over her head , that is a huge difference. bad info is rampant a simple emblematic example- 3 million in deductions Im told were taken for art space but on closer examination it turns out they cannot be used at all. (ZERO benefit) though you will be told yes they were deducted on the return they said that is the only real question you were focused on ! " were they deducted " not -" is there a benefit " !! I asked for the balance sheet and P and L for Regan arts , a basic first step in order to check your financials. "sorry we never got one?" though 9.8 million invested, no p&l, nothing!, a construction project run amok , no budget, the coo fired after only 3 months. , no clue . fyi artspace financials are also a total mess. (no receivables ??). when i asked for a list of what got done and did not, i received the email from Brad basicailly mind you own business. so much was promised. !!!

As in your words probably your closest friend and in order to turn the page. I hope the following to be constructive

Here is a list of things I think would be in your interest to get done asap .but definitely not by me .

i suggest you form new grats. , hire a high level tax partner. use your trading accounts as they remain a paramount requirement 16 months after i emailed you re their importance. THe Phaidon transaction papered and structured as contemplated DOES NOT WORK , its as simple as that. DOES NOT !! I suggest again that you re-do bank loans. no need to pay interest at higher rates on boat or plane. . as Richard is now no longer trustee. re- do will, make suydam executor , with Barry, and john as back up. pay 1 million a year for executor role. get rid of Judy Black trust, deal with gifts and their tax returns, . review amounts to kids at fixed ages. put more protections in for Alex and Victoria. , distribute some money to kids let them make decisions. , decide art division with children in attendance . have fire drill done on estate. fill out estate returns as if you and Debra died today, choose advisers - rick bronstein said the only 1040 he ever filled out was his own. Halperin has a conflict that should be addressed., A strategy of the use of art should be implemented. . you have tax consultants it consultants. plane operation consultant. . boat consultants. architects, lighting , art, legal, . foundation , deal with TRA , BRH , rationalize investments. cash flow. reporting, gaming disclosures. foreign, gift. . prepare tax projections for 15 and 16, . deal with neg basis (tufts gain, debt financed. art partnership, pledges. sell stock , art, deal with phaidon debt. athene,? income , capital , foreign , exit, corporate, insurance regs, out and inbound issues, basis, appropriate discount rates. ? terminations. control. , qualified dividends. corporate tolls, inversion rules. , grat issues, short swing and other sec disclosures, I still think you might consider a Rothshcild bank transaction they have 150 b and a distribution network with no products , private bank Rockefeller Rothschild. financial service. deal with UK visa issue sooner rather than later. we can talk about Rowen request re Athene , complex 2 billion in taxes on transaction. ?!

the facts as i see them

in June and then again Sept, we both agreed to a 50% of phaidon payout., then only after weeks, when you delayed any detailed discussion of money wanting to give the issue a thoughtful response (which I fully understand) . you unilaterally changed changed our agreement. . 5m would be reserved for the future ? . and out of the remaining 15m ,? i would receive only a third. (note : I'm confident that both the debt , and the artspace investment will also lead to a write off of another 30 m. plus) In my dining room ,you were surprised when I said that i require most people to pay their advisory fee up front so that I am assured that I will be properly compensated for my work when strategies are implemented . you may recall that you appeared offended and said " are you suggesting that i would go back on my word " I said no , of course not ! you are my closest of friends ,but my experience is that when amounts get large, people tend to get unhappy when it actually comes time for them to pay

I included in this letter the email i sent to you on April 15, the day i was examining your returns It laid

out my understanding of the compensation for a transaction of the magnitude to the penny of the one just completed. though the number was great it was clear. When it appeared that the details could now be worked out I was the first to say , it is too much money, however.
From day zero I proposed to discount to 50 - 60 million the fair price of the transaction just completed . including Phaidon. . though this amount was already substantially less than our agreed and negotiated formula. - I was never told that this was out of range. in fact, alternative methods of payment . plane, or an -in-kind payment were discussed (ie including keeping the 30m portion of fee outstanding till March) ,I provided as you specifically requested a detailed step by step execution plan and reviewed all documents that i was given access to. (Phaidon was not forthcoming) in order to make my many corrections . I was then told that Alans involvement warranted a discount . Even in the best of light , though it is beyond question that not one time in the three years of his retainer has he ever proposed a unique idea. (including any wayt to deal with the use issue on debras death ,or even the most basic review of your largest asset by far , the BRH agreement.) O.K. - lets say he made a contribution to the plan and stretch reality beyond the pale and say it was 50 %. though no one could posit such a large amount unless they were wearing a brightly colored clown suit. , the payment associated with the deal was known . It had both sent in writing and spoken about on the phone numerous times , a detailed execution plan was provided . then and only then after all was laid out for the group I was told that after a number of conversations with brad karp that a total of only 20m would be paid , (and even that was more than originally contemplated) for both transactions . Leon I feel It was remarkably unfair. I wondered whether brad even knew of our prior agreement.? I called him and he said he was never told.?, I would ask that you I and Brad karp sit together if you think it would be helpful. . I would like to send him this email, with your consent of course. If the transactions were never consummated , i would not be owed a dime, however , the expected fee was known up front. , the detailed step by step plan was followed and overseen by me, the amount that I had requested before the transaction was even begun, and had already been heavily discounted, out of friendship, from our agreement . I believe the decision re only paying 20 m has frankly , left me felling quite uneasy.

since you asked since last nov. i found 11 million dollars in dormant accounts. 4 million dollars in eileens drawer. . went through cash flows for phaidon showing that john murphy is not an accountant. redid your gagosian contract , . organized structure in case of divorce. set up gift trust. stopped ada from including multiple times things not in your interest. dealt with bad sales tax use tax income tax . created 8 millino in deductions ,500k in mistakes , found bank of scotland fbar problems, . . reorg bad art purchases , funds taken, , charitable decisions , helped with fincancial statements, gaming commission. . boat deductions, rescued stock from grats. . may 1 after months of brad not finding anyone i sent an email saying you would have to pay more. . on april 15. I sent an email detailing payments owed if i could figure out the basis issue, please see attached, .

questions you might ask your team ask them to provide a balance sheet or p&l for REgan arts. . doesn't exist
ask . either wechsler or haperin to tell you what brh is, or how the tra works. . . ? as bronstein to tell you why the proposed phaidon transaction DOES not work. . ask them to give you a plan for the plane. ? ask them to show you the cash mgmt for over 100 million dollars. . ask them to show you the IT system progress after one year. separate from making it more secure though you are not a trader with inside info the approval process for payables. . the cash flow projections? assumptions? ask for a comparative review of investments. ask haperin to describe to you in any detail BRH , the major asset of his two biggest clients. tax basis, disposition in the estate. . etc. ask brad to show you the liquidation of the intervening art space cos? that has been on the table for months. .

Date: Wed, Jan 6, 2016 at 3:44 AM

Subject: Fwd:
To: Jeffrey Epstein <jeevacation@gmail.com>
PLEASE READ CAREFULLY ,
Mark was here this morning , the proposed transactions are extremely complex . and would take a great deal of detailed time. I do not know how, and if ,to move forward - our last transaction. a transaction which you saved 600 million in tax. even if as you say it could be 20 years away , (i hope longer) discounted to today is a savings of 300 million . for some reason you chose to ignore our agreements , verbal written and emailed -and decided that it was only worth 8 million dollars to you. . (assuming phaidon -richard happens. the calculation that you can see is a 24 m savings not including artspace and debt benefits- certain to come later .. IMPORTANT NOTE
: the phaidon transaction as currently contemplated will not work . NOT CLOSE
When we had our meeting in your home in Bedford. You asked me for my help. I told you multiple times that i thought it was a very bad idea, in that I greatly preferred to have no financial interactions. I don't have many friends and didn't want money in any way to interfere with our unique relationship. Reminder , For five years you had the kind, but very goofy Eileen Alexandersson as the sole manager of your massive accounting , legal, investments. reporting, trusts etc. When I first told you in no uncertain terms that I firmly believed she was incompetent you admonished me for " speaking out of both sides of my mouth " . With regard Brad Wechsler , there has never been a " both sides. ". I have consistantly maintained since day one that he was highly unsuited for the job. When you initially asked me to help convince him to take the role , promising him a position to manage mirage investments I sent you a note saying that instead of hiring him you should pay up and get first class people. I have reiterated the same message for over a year now. . Brad , not me ,was tasked with hiring new people , according to his biz school org chart.(nauseating) and as you wanted him to take ownership of the staff,he conducted many interviews alone. . you may recall that as late as may, you told him in my presence that though six months had passed he had not hired anyone. since then I have rectified errors in sales tax, use tax, income tax, fbar reporting, 1031 reporting, 8 million of deductions missed errors of millions on the returns. a cashflow that is misleading helped prepare financial statements (april) Oversight on new grats- first at 22 and then at 19 that were done without my consultation and were "resolved " soley as a result of my last minute intervention. . 600 million in after tax savings was just accomplished. (BTW- for some reason you left the 30 million outstanding that I had said should only be done" if" that was my additional fee. and not used for non biz purposes and not art.

Sorry but .,
in June and then again Sept, we both agreed to a 50% of phaidon payout first projected at 20 . but less when artspace and debt taken out, - then only after weeks, when you delayed any detailed discussion of money wanting to give the issue a thoughtful response (which I fully understand) . you unilaterally changed our agreement. . 5m would be reserved for the future ? . and out of the remaining 15m ,? i would receive only a third. (note : I'm confident that both the debt , and the art space investment will also lead to a write- off of another 30 m. plus) In my dining room ,you were surprised when I said that i require most people to pay their advisory fee up front so that I am assured that I will be properly compensated for my work when strategies are implemented . you may recall that you appeared offended and said " are you suggesting that i would go back on my word " I said no , of course not ! you are my closest of friends ,but my experience is that when amounts get large, people tend to get unhappy when it actually comes time for them to pay.

I include below the email i sent to you on April 15, the day i was examining your returns It laid out my understanding of the compensation agreed for a transaction of the magnitude to the penny of the one just completed.ie 600m When it appeared that the transcation would and could go foward I was the

first to point out that our agreement would cost you too much money, therefore
From day one I proposed to discount our agreement to a 50 - 60 million range. An extremely fair price for all the transactions just completed . including Phaidon. - I was never told that this was out of range. in fact, alternative methods of payment . ie my plane, or an -in-kind payment were discussed (ie including keeping the 30m portion of the fee outstanding till March) ,I provided , only because you specifically requested a detailed step by step execution plan and reviewed all documents that i was given access to. (Phaidon was never forthcoming) in order to make my many corrections . (as i said more needed on phaidon) . I was then told that Alans involvement warranted a discount . Even in the best of light , though it is beyond question that not one time in the three years of his retainer has he ever proposed a unique idea. (including any way to deal with the use issue on debras death ,or even the most basic review of your largest asset by far , the BRH agreement.) O.K. - lets say he made a contribution to the plan and stretch reality beyond the pale and say it was 50 %. though no one could posit such a large amount unless they were wearing a clown suit. , the payment and our formula of 37 percent associated with the deal was known . It had both sent in writing and spoken about on the phone numerous times , a detailed execution plan was provided . then and only then, after the entire transaction was laid out for the group to follow You told me that after a number of conversations with brad karp that a total of only 20m would be paid , (and even that was more than you originally contemplated) for both transactions . Leon I feel It was remarkably unfair. Did brad even knew of our prior agreements.? ?, I would ask that you I and Brad karp sit together if you think it would be helpful. . I would like to send him this email, with your consent of course. If the transactions were never consummated , i would not be owed a dime, however , the expected fee was known up front. , the detailed step by step plan was followed and overseen by me, the amount that I had requested before the transaction had even begun, had already been heavily discounted, out of friendship, . I believe the decision re only paying 20 m has frankly , left me felling quite uneasy. and colors the view about the Athene or Rothschild transaction.
Date: Wed, Jan 6, 2016 at 12:44 PM
Subject: Fwd:
To: Jeffrey Epstein <jeevacation@gmail.com>
PLEASE READ CAREFULLY ,
In the spirit in which it is sent. our friendship is intact and solid , though ,it has taken a hit.
Mark was here this morning , the proposed transactions are extremely complex . and would take a great deal of my detailed time. I do not know how, and even, if ,to move forward - . After months of hearing that you would have no problem paying a large fee if you could only ascertain value. The last transaction. a transaction which you saved over 600 million in tax. declared bullet proof by your attnys, and even if you want to disoccount for its future realization, creating a savings of over 300 million real dollars. For some reason you chose to ignore our agreements , verbal written and emailed -and at the very last minute , after the deal was complete decided that it was only worth 8 million dollars to you and your family. . (assuming phaidon -richard happens. there is a 24 m savings not including artspace and debt write down benefits- certain to come later .. IMPORTANT NOTE
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When we had our meeting in your home in Bedford. You asked me for my help. I told you multiple times that i thought it was a very bad idea, in that I greatly preferred to have no financial interactions. I don't have many friends and didn't want money in any way to interfere with our unique relationship. Reminder , For five years you had the kind, but very goofy Eileen Alexandersson as the sole manager of your massive accounting , legal, investments. reporting, trusts etc. When I first told you in no uncertain terms that I firmly believed she was incompetent you admonished me for " speaking out of both sides of my mouth " . With regard Brad Wechsler , there has never been a " both sides. ". I have consistantly maintained since day one that he was highly unsuited for the job. When you initially asked me to help convince him to take the role , promising him a position to manage mirage investments I sent you a note saying that instead of hiring him you should pay up and get first class people. I have reiterated the same message for over a year now. . Brad , not me ,was tasked with hiring new people , according to his biz school org chart.(nauseating) and as you wanted him to take ownership of the staff,he conducted many interviews alone. . you may recall that as late as may, you told him in my presence that though six months had passed he had not hired anyone. since then I have rectified errors in sales tax, use tax, income tax, fbar reporting, 1031 reporting, 8 million of deductions missed errors of millions on the returns. a cashflow that is misleading helped prepare financial statements (april) Oversight on new grats- first at 22 and then at 19 that were done without my consultation and were "resolved " soley as a result of my last minute intervention. . 600 million in after tax savings was just accomplished. (BTW- for some reason you left the 30 million outstanding that I had said should only be done" if" that was my additional fee. and not used for non biz purposes and not art.

Sorry but .,
in June and then again Sept, we both agreed to a 50% of phaidon payout first projected at 20 . but less when artspace and debt taken out, - then only after weeks, when you delayed any detailed discussion of money wanting to give the issue a thoughtful response (which I fully understand) . you unilaterally changed our agreement. . 5m would be reserved for the future ? . and out of the remaining 15m ,? i would receive only a third. (note : I'm confident that both the debt , and the art space investment will also lead to a write- off of another 30 m. plus) In my dining room ,you were surprised when I said that i require most people to pay their advisory fee up front so that I am assured that I will be properly compensated for my work when strategies are implemented . you may recall that you appeared offended and said " are you suggesting that i would go back on my word " I said no , of course not ! you are my closest of friends ,but my experience is that when amounts get large, people tend to get unhappy when it actually comes time for them to pay.

I include below the email i sent to you on April 15, the day i was examining your returns It laid out my understanding of the compensation agreed for a transaction of the magnitude to the penny of the one just completed.ie 600m When it appeared that the transcation would and could go foward I was the first to point out that our agreement would cost you too much money, therefore
more details

From day one I proposed to discount our agreement to a 50 - 60 million range. An extremely fair price for all the transactions just completed . including Phaidon. - I was never told that this was out of range. in fact, alternative methods of payment . ie my plane, or an -in-kind payment were discussed (ie including keeping the 30m portion of the fee outstanding till March) ,I provided , only because you specifically requested a detailed step by step execution plan and reviewed all documents that i was given access to. (Phaidon was never forthcoming) in order to make my many corrections . (as i said more needed on phaidon) . I was then told that Alans involvement warranted a discount . Even in the best of light , though it is beyond question that not one time in the three years of his retainer has he ever proposed a unique idea. (including any way to deal with the use issue on debras death ,or even the most basic review of your largest asset by far , the BRH agreement.) O.K. - lets say he made a contribution to the plan and stretch reality beyond the pale and say it was 50 %. though no one could posit such a large amount unless they were wearing a clown suit. , the payment and our formula of 37 percent associated with the deal was known . It had both sent in writing and spoken about on the phone numerous times , a detailed execution plan was provided . then and only then, after the entire transaction was laid out for the group to follow You told me that after a number of conversations with brad karp that a total of only 20m would be paid , (and even that was more than you originally contemplated) for both transactions . Leon I feel It was remarkably unfair. Did brad even knew of our prior agreements.? ?, I would ask that you I and Brad karp sit together if you think it would be helpful. . I would like to send him this email, with your consent of course. If the transactions were never consummated , i would not be owed a dime, however , the expected fee was known up front. , the detailed step by step plan was followed and overseen by me, the amount that I had requested before the transaction had even begun, had already been heavily discounted, out of friendship, . I believe the decision re only paying 20 m has frankly , left me felling quite uneasy. and colors the view about the Athene or Rothschild transaction.

Date: Fri, Jan 29, 2016 at 2:39 PM
Subject:
To: Melanie Spinella <[redacted]>
you've agreed that
Your office is a multi billion dollar responsibility. your children will inherit it , in order to oversee their financial lives- I feel for you, truly ,but the facts are the facts, your ceo (Brad) has provided one bad document after another for over a year , no getting away from it, , bad cash flows no new IT, each time with " its gettting better " no in fact -! its not. - the excuse, that Brad is not the numbers guy, is ludicrous. of course he didnt actually prepare the statements. - no ceo would ,- but over and over he presented them to you and me , after , holding them back for his personal review multiple times and after multiple drafts. weeks of his editing, the consistant but "inexplicable "missing the obvious serious errors . (gaming) inaccuracies, (cashflow) and mistakes (tax returns). why, ?! the simple answer is that at best, he is a c minus, (note. I, like you ,also give points for effort.)- ! an elegant art partnership gone fallow. ??!!I and its core reason to exist. not used ? no docs for plane?, still ! why? no docs for decantings why? the docs for deal 1 received last night , " no docs at all for deal 2, the biggest " . why wasn't Tom brought in , after 4 times of my incessant reminders i spoke to him , he knows little of either transaction except for over view. never saw pahidon anything except projections until yesterday ? ?and this after your clear admonition etc. re the trading accounts no activity, at all,

Barry Cohen is great. more like him please .
you asked , - I did my best trying to train your brad chosen people in the face of my telling you that they were never going to be more than c-minuses, thousands of emails thousands ? Brad at its head . you can't as a ceo, have an accountant give you multiple pages with the most important numbers missing altogether and not notice, you and I saw the errrors right away ,as did my very junior bookeeper after only a cursory glance. He told me he didnt know the details of his note? ! , my guess is that he wanted to pay less. no more than that, any other story is blather. its silly. Talk to richard yourself.
re your estate. Yes another Brad issue - your will, needs revision. the tenants in common structure I assume Alan has carefully walked you through. it is way overdue, needed and exciting. I won't list the more serious issues in an email but we can speak over the weekend.

How can I help? We agreed at the time when you hired Castrucci , that when you fired him, I would bear no responsibility because it was clear that he shouldnt be hired. brad and you both said ," its on us", but... the equivalent of your art consultant pointing to a picasso and calling it a renoir. then a brancusi and calling it a michaelangelo. those were the types of erros that i saw immediatily, you said give them more time. at least they saw it was a painting and not a photo?

being weaned of our biz /pay realtionship has been our mutual goal. However since novemebr, you chose to do so by ignoring' our agreement re, phaidon,and your oft stated commitment to me of large payments for large value, (37 percent was our number). chose to pay me a number picked by what appears to be only by whim,- have yet to justify it except for telling me that you and Brad Karp talked..
.

What should we do? the next two years in biz world appears to both you and I , very fragile. Im happy to have brad sit in ?

Date: Thu, Oct 15, 2015 at 10:38 PM
Subject:
To: Melanie Spinella <[redacted]>

Office, - ada goes. , hire heather a paralegal . Joslin goes or is closely managed by new cfo with tax experience. . castrucii goes asap.as he merely adds to mess.(too many people , ex 7 people or more to pay a bill) eva goes. outsource as much as possible. . bookkeeping systems built from scratch, airplane restructure, boat . same, new grats. phaidon sale , decide on artspace survivability, regan, . do the kids really want these? , children accounting ie bens house.etc. re do estate for new facts. redo loans, trading accounts activity, . gaming -foreign- disclosures. . BRH TRA re thinks . household and construction architects. . redone. art partnership , choice of paintings. . re do structure of consultants. tax re family office. . decide if investments are a realistic option in the next three years.. insurance. operations. airplane , etc. . art foundation , private . max charity contributions. financial reports. still waiting. ? on line banking, . tax planning, family office deductions (profit center) . airplane certificate, redone jet aviation redo. . paper gigi (E)trust to avoid gift tax. .
today is Oct 15
With your full knowledge I paid out 8 mil to my staff before june, . so i guess I can safely assume that after consideration of all the things I did for the entire past year separate and apart from your unique free "after care" concept. , what you thought was ultimately fair was the contribution of 5 million to a foundation and a total of 2 million dollars to me.

Date: Thu, Feb 4, 2016 at 10:01 PM
Subject:
To: Melanie Spinella <[redacted]>
josh's arrival cut short our needed conversation. I understand we have a difference of opinion. friends sometimes disagree, I shook on the 20 so you have no further obligation, none, I am willing to have brad karp hear both sides. as my view , you and i had an agreement. on phaidon /publishing, and then a long standing what you say is 28 , which is correct AFTer TAx. , 37 pre. . that was our numbers. I was clear what i thought the transactions were worth. far less than full. alan etc. , had you said i will pay you only 20 . i would have said ill pass. you never told me that 50-60 the number that i put on the table at the very beginning was not right. you asked that i lay out my plan step by step. and what i believe would have been the fair thing to do is say to me, I will pay you only 20 if you do as i ask, not tell me for the first time only after i laid it all out . had it not been you, i would have required payment in escrow. BEFORE fyi the reason I sent you an invoice so that if you decided that you wanted me to continue this year . it would be applied to last years income. I think today was a beginiing for you. I am glad I will meet wendy the 23, rd, . separate and aprt from being your sounding board for personal issues, I do not see my involvment moving forward.

Date: Wed, Feb 10, 2016 at 12:56 AM
Subject: Fwd:
To: Melanie Spinella <[redacted]>
this was sent four months ago, nothing has changed
sent oct 15. before big transaction.
Office, - ada goes. , hire heather a paralegal . Joslin goes or is closely managed by new cfo with tax experience. . castrucii goes asap.as he merely adds to mess.(too many people , ex 7 people or more to

pay a bill) eva goes. outsource as much as possible. . bookkeeping systems built from scratch, airplane restructure, boat . same, new grats. phaidon sale , decide on artspace survivability, regan, . do the kids really want these? , children accounting ie bens house.etc. re do estate for new facts. redo loans, trading accounts activity, . gaming -foreign- disclosures. . BRH TRA re thinks . household and construction architects. . redone. art partnership , choice of paintings. . re do structure of consultants. tax re family office. . decide if investments are a realistic option in the next three years.. insurance. operations. airplane , etc. . art foundation , private . max charity contributions. financial reports. still waiting. ? on line banking, . tax planning, family office deductions (profit center) . airplane certificate, redone jet aviation redo. . paper gigi (E)trust to avoid gift tax. .
Date: Thu, Mar 3, 2016 at 3:31 AM
Subject: ask alan why he hasnt explained this to you since novmebr
To: Melanie Spinella <[redacted]>

Tenancy in common is a type of shared ownership of property, where each owner owns a share of the property. Unlike in a joint tenancy, these shares can be of unequal size, and can be freely transfered to other owners both during life and via a will. Even if owners own unequal shares, however, all owners have the right to occupy and use all of the property.
Date: Sun, Mar 13, 2016 at 12:55 PM
Subject:
To: Melanie Spinella <[redacted]

The fire drill documents received should be the final nail in the coffin of Alan and Ada, . It is inexcusable, , ludricrous and in brads words "insane "or yours, " unexplainable" that the two people that you refer to as your estate attnys , NEVER EVER took the time to actually read the documents that have the biggest efffect on your family and estate upon death or disablity, its impossible.!!! IMPOSSIBLE . after telling me that they were confident that everything had been read , and after years , of you telling me that Im not an attorney, it is clear that my telling you that you have c quality people was over generous, , I received a first draft of the summary of documents. you should read them for yourself. . executive committee issues. , unclear tax. contradictory provisions,your reps having to rely possibly on a fall back to delaware law to protect your interests, even suggesting that even if they would like to fall back , in some instances - no case law. other crazy- provisions that are personal to you , instead of you and your successor ? two pages of " open to interpretation" .or aha , maybe something is wrong! as ie, your rep, after death has no right for information on BRH? ! if you and another founder are dead , the exec commitee has no decision authority, if josh and mark want to fuck your heirs, its easy, black family partner docs dont deal with successionl YOU deserve better . fyi, after a month of brad ada and alan ,on the project, still not willing to share with me a final, they are all embarassed. and full of excuses .

It will take wendy and a new team 6 to 9 months to put your house in order. , new cash flows. new accounting system, airplane rethought, , you new hires can find deals , they can familiarize themselves with your current investments , but should not be doing the accounting for them, .
your will is still not amended, ?! the tenants in common not even explained to you. if something happens to you and debra, no real direction for the foundation. . etc

--
Date: Mon, Mar 21, 2016 at 4:17 AM
Subject:
To: Melanie Spinella <[redacted]>

glad to see you are personally on the mend - as well as the fence. -- As you know i dread money discussions with you-- however -we should address the issue of what you would like to do moving forward. re- do family office, accounting trusts , estate and apollo agreements . Along with your " payment " last year we agreed . no further obligations on each side. yes, i continued to moan. I realize that though I ve done quite a lot this year already , it is not your responsibility. . As you often like to remind me- you've paid a great deal of money to date. that being said - If you want my involvement moving foward, I suggest you pay my regular l fee of 40 m . 20 now . 20 on completion or as per the invoice issues at the end of last year pay 30 all at once. -

To help out . im keenly aware of your current cash position. so I will consider an in-kind payment - real estate (Miami), ,art , financing of my new plane (allows you to spread over years or of course the preferred cash. Get rid of Castrucci,it is over a year since the same story of findign the right guy at the top. you entire accounting needs to be re done. , office downsized, reporting re done. meetings to recitify, categlorize , the various docs re appollo , rowen , suydam, alan etc. Brad can direct investment guys, (hopefully) my people will be in your office for a few months . reorganizing IF you decide not to pay I fully understand, as I m sure you will re my no longer spending any serious time on these things. Of course re any non financial issues , I am always there for you and will continue to be the best friend I can be .
Steve jobs said that everyday he woke up , and asked himself , if he knew he was going to die tomorow , would he do the same thing that he had planned for the day- he wanted to check that he was doing things that he really wanted to. after three days of getting back an answer of no, he would change what he was going to do. . he also did not believe in LONG term plans. I dont think either one of us will figure out what we want to do long term so my thinking is that we should try to have fun everyday, and welcome serendipity.

I think another trust and estate lawyer should be brought in to deal with the issues of how not to allow your family to get screwed by your partners on death . Alan, for years told me that paul weiss had drawn the docs so no issue but when recently pushed by my new fire drill he asked akin to draft .?! PLease ask brad about why he keeps talking about flow . I dont know what he means, its so silly . . this is only about money control and protection .
I am leaving monday night now. free to speak in the afternoon

Date: Thu, Apr 28, 2016 at 1:55 PM
Subject:
To: Melanie Spinella <[redacted]>
Lets start. I am aware that you are currently angry at the world. . me, karp wechsler. even yourself, all willing absorbers of the current high heat. (though you ,calling me ,Debra , did take away some of the sting) I am sorry to see you this way.
emblematic ; I was asked to opine on whether to hire castrucci. an hour after I gave a preliminary yes. . I called you then texted you that i had thought more about it and changed my mind. The next day brad called and asked for my vote. I told him ,in no uncertain terms it is a no , I categorically vote no. I called you . you came to see me . I said it was a bad idea. you said you were going to do it anyway , I said and followed up in writing IT IS A MISTAKE . and added Please don't come back to me with anything suggesting otherwise , you and I should be clear I think it is wrong . A very strong NO . you of course can hire whomever you like.

early on I told you I thought Tom remarkably careless . Eilleen goofy and your art lawyer not well informed to say the least. you told me Tom was a senior partner. Eileen had headed the trading desk , and Ralph Lerner had to know what he was doing as he wrote the book. . I said I thought you deserved better ,should get better people and no , I am not an HR person. yesterday you told me that the reason you have hired whomver you could find was to avoid being dependent on me. a decision by far , not the best place to try to save money)
Joslin- who you say I hired . I neither found nor hired. With a two person given choice I approved joslin over some woman that eileen preferred. against my repeated advice you and eileen decided the pay range at under 300k . I told you at that time that I would personally pay the difference for a higher quality person, that was years ago . I have sent over a hundred emails to you clearly saying he needs to be closely managed by better professionals. initially , that referred to Eillen and Ada.and after, brad. john etc. THere are many emails each and every month from me, telling you , he is slipping failing cracking fragile. . crazy, nuts, heading towards incompetence. Unless YOU- TAKE ACTION! when I pressured him for accurate numbers , you told him, to tell me, that he works for you and NOT for me. . When I continued to press for accuracy from your office , you told me that they were now all afraid of me and i should let brad communicate any requests, (you now tell me " we know what Brad is"?). When I told you you office needs to be reviewed and changed you told me i was being destructive rather than constructive. when i ultimately confronted joslin, in an attempt to protect you, told him that his numbers were wildly inaccurate , you told me that i had caused his ultimate resignation and now have an affirmative obligation to fill in the resultant gap.
I did give you a bad number , and apologized as soon as i realized it. an error that was an embarrassment for me , the fact that that the accurate number is still way below what you agreed to pay , has fallen by the wayside.(the preposterous argument that the end of year transaction was Alans idea , which you now know was not true and that me not receiving Phaidon documents was unexplainable. was your justification though, for non - full payment)
Hopefully You will recall that when you initially asked for my help. I declined repeatedly with the admonition that that having a financial arrangement is fraught with danger and could complitcate our friendship (as you will be unhappy paying what you will view as a large sum. while choosing to ignore the financial benefits,). In Bedford , I repeated my concern. THe current circumstance is distressing to me , I have done my utmost to keep you safe. and will continue to do so. reckless choices in accounting or otherwise does not bode well. at each turn I have put your interests first , including in some instances attempting to fight your choices.
your current circumstance needs nuanced attention. as you know, there are a few areas with very serious consequences. whether it be , having Ada , form grats without review, brad doing phaidon without review. payments make without review.merely in order to be weaned , is one more high risk choice. review of outside accounting firms , CANNOT be done by brad. to have your accounting dept sit in on Alans trust accounting lecture . in order to learn the filed is reminiscent of elieen reading the tax regs. (she also was going to take a course)
I am here in New York today. should you like to resume

Date: Mon, May 2, 2016 at 12:51 AM
Subject: Fwd: Valuation Discount
To: Melanie Spinella <[redacted]>

Leon please read the attached proposed response to the IRS , see if you can understand it !!!. Ive asked for a re-do. and given prelimiary directions to Alan to have it edited over the weekend . If you are quarterbacking ,ok with me. just please let everyone know. you must deal with the outrageous incompetence in your family office .. Alans words " but I was told that.. , but I was told by the office (sic) that ... , BUT i was told by joslin,. , but I was told by . " why is leon blaming me for .." . I ve have always given you my best advice, If you reflect on your financial life , you have been kept safe , had remarkable results and no disasters. I have repeatedly urged you to get rid of the people in your office. , you have repeatedly chosen to ignore my advice , you told me last week that the emotional reason was in order to be weaned off my group and not have to pay my high fees. (though ignoring the benefit of between 1.5 and 2b to the better.) . and no explosions. You have email after email ,where i remind you that I am not your bookkeeper or accountant (in brads corporate speak his" finance dept ??!!) that it should be redone .I have reviewed a multitude of the silly reports given to you and have pointed out the continued numerous inaccuracies . your question " so what if the numbers are off , so what if the categories are off. whats the big deal??. I suggest you de risk you finances and make the tough decisions necessary - pay the right amounts (high) to get the work done properly or , you are , Im afraid, certain to get an unhappy answer.. tom will be back from vacation. this week.

---------- Forwarded message ----------
From: **Halperin, Alan S** [redacted]>
Date: Thu, Apr 28, 2016 at 5:16 PM
Subject: Valuation Discount
To: "jeffrey E." <jeevacation@gmail.com>
I am attaching a draft response from Empire Valuation as to why it arrived at a valuation discount on the low end. Let's discuss the response and next steps. Thanks. Alan

Date: Tue, May 10, 2016 at 12:38 AM
Subject:
To: Thomas Turrin <[redacted]>
did you get the agent?

Date: Wed, May 11, 2016 at 1:50 PM
Subject:
To: Brad Wechsler [redacted] Melanie Spinella <[redacted]>
grats 3,4, 5, 6, also need accounting documents and backup. year 2014. other info request to follow

Date: Wed, May 11, 2016 at 2:19 PM
Subject: Re:
To: "jeevacation@gmail.com" <jeevacation@gmail.com>, [redacted]
[redacted]>

A couple of questions:

1. Jeffrey-you saw the format in which we organized the back-up for year one of grat 1 (quite thick/alot of back-up).

Does that format work (for you and internal use) or do you want it simplified/modified. Let's discuss.

2. Since this will take the focus and effort of a lot of people (just to pull and organize the various records...both legal and accting, I'd like to tell the staff that we are answering an "information request" from the irs on the grats. It will generally be helpful

for them to know why the work is impt.
You and leon ok with this?
Will call you to discuss.

Date: Thu, May 12, 2016 at 12:17 PM
Subject: tight schedule lets try a set time to speak
To: Melanie Spinella <[redacted]>

Leon, you hired me to produce a work of art. it was not inexpensive. the value far exceeds any other piece in your collection.- by FAR . It took me 30 years to be able to craft such a work. I understand your desire to modifiy my work, in doing so you have brad telling me , just a bit more red., here let me show you, you yourself pick up a brush a add some strokes. you have joslin spray water on it to maintain it. I vigorously complain that joslin in ruining my work . . you describe me as zeus, i describe it as artist and a reaction to his work being ruined. however Im aware that you own the work and you have the right to paint over it. tear it up , put it in the closet in the basement . its yours.
I was told that Toms office is sending someone in ,or some people in, to review "some things." brad told me ,the partnership accounting. I know absolutely nothing more than that. though bringing in his team was my idea . Having them review things without even asking for my input , or let alone my direction ,is ridiculous. but.. I guess you wanted to save money. ?
The audit has brought to the fore the lack of your office quality that i have been violently squawking about. ie . children playing with works of art. . It is inconceivable to me that John castrucci is still there , joslin part time, but relied on . joe error prone and brad a corporate bandleader talking about the office's finance team, accounting dept, and directing wendy to do things that are clearly not in your interest. (saving money again ?) its nuts!! . a still non-existent IT dept. impossible , it was the first thing on my list of things that were needed to be done. Still no trading accounts to speak of , though its prophylactic quality has been discussed over and over during the past three years . computers do not read Page Six . the women at the IRS do. ! you said your motivation in keeping this group of part timers was a consequence of the high cost of my artwork. . the unfortunate result was easily predictable. - now

If you want my and my atelier to continue, I will oversee the audits. take charge of the TRA BRH assignments and review 2012 amendment options!!(note :your redo of the estate fire drill has not progressed very far). Lots of paper needs to be collected and reviewed, At MY direction. the outside team will be brought in at my expense working for me and you. coming in for interviews and reviews, . sucession, technology, tax and compliance. investment reporting , , computerized timelines for filings etc. . household classifcations and reporting with a system of best practices.

My goal is clear - to end, not extend , our financial interactions. you will have a machine that works , it will not be complexto oversee , to create it, is some thing else . Unfortunatley for us both, the price for my works has not changed since day one. 40m per year, I m willing to discount it to 35 as I did give you a bad number when asked and should pay an embarassment fine. Im also aware, as you made perfectly clear . that you have already paid what you consider a great deal of money, for my work , but again its value exceeds anything else by far in your collection at a cost less than agreed upon. . please also remember that you and i agreed no more demands on my time after the last payment for the big transaction.
OR, you can decide that brad , tom , and whomever else you choose can screw with my work and they can oversee your audits . they are both aware and sensitive to the issue at hand. alan could be brought in but i would be extra careful having paul weiss given access to entire story.

_-On an unrelated note- you recently seemed shy to discuss certain things. , please be assured I make no judgement on any of your activities , whether or not i agree with them . not my role I am always on your side on the table. I hope your personal life quiets. you 've had a rough 15 months.

11:21 PM (13 hours ago)

to me

Jeffrey,
I created applications one week ago at NDCAS (doctor of naturopathic medicine centralized application service) and VMCAS (veterinary medical college application service) ,working on my application material , requesting evaluations letters and etc.
On Tuesday I am going to the job interview, working on my resume today .
P.s.- I hope I will get finally the results from Chinese proficiency exam today /tomorrow.

On Sat, 7 Apr 2018 at 07:54, jeffrey E. <jeevacation@gmail.com> wrote:
no concrete progress. for a year. sorry, it cannot go on this way
Date: Wed, Jun 1, 2016 at 5:41 PM
Subject:
To: Melanie Spinella <[redacted]>
As i said yesterday, pointing out places where i think my friend might be taking unnecesarry risks has become tedious and trying. Structures that have been set up 2 years ago. were done so to give you protection and flexibility, NOT FOR ME< for YOU they required hiring stafff that could manage these complex entities. you told me over the past two years that as i set them up i should be responsible for their operation. That was never the deal , never. I have heard after -care etc for quite a while. in dec when you unilatierally decided to pay me much less than our agreed amount , we agreed NO MORE money discussions NO MORE after care. The silliness has reached its pinnacle when you suggest i am responsible for the lack of sophisticaiton and thoughtfulness of the 1031 transactions that NO one even told me about. asked my advice or gave me any notice at all before the fact. same as the structure for the CAlif house. I would remind you , though Heather is great, it was not she that modified the gagosian contract to give you the protection that resulted in your having no liablity, though you tell me she has done these things many times.
3. Remind me to talk to you about MR

Date: Tue, Nov 15, 2016 at 6:13 AM
Subject: Fwd:
To: Melanie Spinella <[redacted]>
Leon, Congragulations on biting the bullet. at least 18 months late , but I m encouraged and glad for you. When you interviewed Brad two years ago you asked that i not tell him what a disaster lay before him. what would you like me to tell Barry?
There is a HUGE amount of work to be done in the next 9 -12 months. mostly the exact same work that i outlined in my email of 2 years ago. now complicated by years of mess on top. (you can send it again if you like) . Brad wechsler was never up to the task . sorry, I realize I have been saying the very same thing for a long time. he was a not a step up from Eileen but a step sideways. in the beginning there was Eileen and Tom and Ralph Lerner. all your hand picks. then brad. john, Joe. . joslin was chosen from a pool of 2 people. each that would be limited by a salary of 250k. (yes i personally augmented his comp in order to get him) I did say hire both Lisa to do the bookkeeping and joslin tax,
He complained for over a year , re his direction by eileen and ada , and then brad. His breakdown was not a surprise after months and moths of warnings. Though disabled, he ran your office this year. with john and joe. He ran amok, and as i told you he rarely failed to remind me in our conversations that you told him that he works for you and not for me and that brad needs to pays him .

. Asking me who to hire , estate attny tax people etc. :
I have taken heat for years over the fact that i gave you no more than carlyns name, . no follow up questions no interactions , not even one single question asked of me re her work. (that was Eileen _) but somehow carlyns fuck up was my doing. . when i told you that i thought Eileen wasn't up to the task, you bellowed that i was talking out of both sides of my mouth. . You told me this year , that by trying to protect you from crazy joslin, I had in essence fired him and it was my responsibility to do his work. it then turns out that he didn't consider himself fired at all he just received less money. and continued to make a really dangerous mess. . Joshn castrucci, in your eyes , was also my doing , though email after email said , I take no responsibility for him,and iYOU SHOULD NOT HIRE HIM .!!! , , your response was that was my opinion was only because i didn't trust him. then to add insult to injury last jan you told me he was gone. however he too is still there, and a waste of money and space.

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That being said , the tasks at hand are the following.

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a way overdue re- fresh of your estate plan . . clats , trust. partnerships. grats. llcs. bank accounts , filing requirements. etc. the long awaited review of the brh tra and shareholders agreement to see how they fit into new plan. . " XXXXX" planning. art partnership engagement .. , airplane re-do. , buying another. . ? boat sale , Miami sale. . TRADING ACCOUNTS. . three years over due. . an accounting system. fire john .. joslin stays for a year. or so. so does tom and . except for heather everyone should be replaced with new. . Sell Artspace and shut down regan arts. . rationalize. cash flow reporting. cash mgmt. stock sales. sec irs. gaming. foreign reporting. the 8865 mess will take months to review now . . you CANNOT file unreviewed audited documents. . CANNOT!!! this will be very detailed work. . a self inflicted wound - all avoidable if professionals had been in place to limit . or contain it. . . you will need 3 new hires .a s there is no one in your office that is truly an A player. I have great hope in Barry as you know. He will need to be trained. note

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I expect as a friend you will understand that

I will no longer , not even for one day , work on your affairs . without the compensation that is long overdue. . your unilateral idea of after care , not imposed on any other professional , except me, not paul weiss ,(caesars alone , a direct screw up on their part) tom, akin, , no one. needs to end. . you and I had previously agreed no more of that , and this after you decided not to pay me per our agreement. to be fair I can not say im surprised as you have email after email , stating that , if you save a great deal of money, you wont want to pay , so limit it to 40m per year. - water under the bridge

If I can find the time to work , on your project , which is not by any means certain as I have said , I hope you understand that it now will have to be under my standard terms and conditions. and well documented so as to avoid any more of the he said she said. I never want to have any more uncomfortable money moments with you , I find it very distasteful. . so to be clear , my terms are as follows . I will only work for the usual 40 million per year. It needs to be paid, 25 million upon signing an agreement . 5 million every 2 months thereafter for 6 months ie march may june . this can begin if i am able in January. I will immediately stop work , if the payment is not received. If you want me to work this year until Jan 15 , it will be 10 million. paid upfront. after one year you will be left with a new estate plan a running office. staffed with professionals overseen by Barry. (hallelujah) a tax plan . and an investment that returns more than any painting you could possible own. . no agreement - no work. however - I of course will talk to Barry for the hour that i promised , and take your guidance as to what I should say.

11:45 PM (13 hours ago)
to me

T

im in paris now

Date: Sun, May 1, 2016 at 6:51 PM
Subject: Fwd: Valuation Discount
To: Melanie Spinella <[redacted]>
Leon please read the attached proposed response to the IRS , see if you can understand it !!!. Ive asked for a re-do. and given prelimiary directions to Alan to have it edited over the weekend . If you are quarterbacking ,ok with me. just please let everyone know. you must deal with the outrageous incompetence in your family office .. Alans words " but I was told that.. , but I was told by the office (sic) that ... , BUT i was told by joslin,. , but I was told by . " why is leon blaming me for .." . I ve have always given you my best advice, If you reflect on your financial life , you have been kept safe , had remarkable results and no disasters. I have repeatedly urged you to get rid of the people in your office. , you have repeatedly chosen to ignore my advice , you told me last week that the emotional reason was in order to be weaned off my group and not have to pay my high fees. (though ignoring the benefit of between 1.5 and 2b to the better.) . and no explosions. You have email after email ,where i remind you that I am not your bookkeeper or accountant (in brads corporate speak his" finance dept ??!!) that it should be redone .I have reviewed a multitude of the silly reports given to you and have pointed out the continued numerous inaccuracies . your question " so what if the numbers are off , so what if the categories are off. whats the big deal??. I suggest you de risk you finances and make the tough decisions necessary - pay the right amounts (high) to get the work done properly or , you are , Im afraid, certain to get an unhappy answer.. tom will be back from vacation. this week.
Date: Thu, Apr 28, 2016 at 5:16 PM
Subject: Valuation Discount
To: "jeffrey E." <jeevacation@gmail.com>

I am attaching a draft response from Empire Valuation as to why it arrived at a valuation discount on the low end. Let's discuss the response and next steps. Thanks. Alan

Alan S. Halperin | Partner
Paul, Weiss, Rifkind, Wharton & Garrison LLP
1285 Avenue of the Americas | New York, NY 10019-6064

[redacted] [redacted]
[redacted] | www.paulweiss.com

(10 hours ago)

to me

Jeffrey
Pete informs the GIV is completed,.

Thx,
Larry

Date: Tue, Nov 15, 2016 at 6:13 AM

Subject: Fwd:
To: Melanie Spinella <[redacted]
Leon, Congragulations on biting the bullet. at least 18 months late , but I m encouraged and glad for you. When you interviewed Brad two years ago you asked that i not tell him what a disaster lay before him. what would you like me to tell Barry?

There is a HUGE amount of work to be done in the next 9 -12 months. mostly the exact same work that i outlined in my email of 2 years ago. now complicated by years of mess on top. (you can send it again if you like) . Brad wechsler was never up to the task . sorry, I realize I have been saying the very same thing for a long time. he was a not a step up from Eileen but a step sideways. in the beginning there was Eileen and Tom and Ralph Lerner. all your hand picks. then brad. john, Joe. . joslin was chosen from a pool of 2 people. each that would be limited by a salary of 250k. (yes i personally augmented his comp in order to get him) I did say hire both Lisa to do the bookkeeping and joslin tax,

He complained for over a year , re his direction by eileen and ada , and then brad. His breakdown was not a surprise after months and moths of warnings. Though disabled, he ran your office this year. with john and joe. He ran amok, and as i told you he rarely failed to remind me in our conversations that you told him that he works for you and not for me and that brad needs to pays him .

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If I can find the time to work , on your project , which is not by any means certain as I have said , I hope you understand that it now will have to be under my standard terms and conditions. and well documented so as to avoid any more of the he said she said. I never want to have any more uncomfortable money moments with you , I find it very distasteful. . so to be clear , my terms are as follows . I will only work for the usual 40 million per year. It needs to be paid, 25 million upon signing an agreement . 5 million every 2 months thereafter for 6 months ie march may june . this can begin if i am able in January. I will immediately stop work , if the payment is not received. If you want me to work this year until Jan 15 , it will be 10 million. paid upfront. after one year you will be left with a new estate plan a running office. staffed with professionals overseen by Barry. (hallelujah) a tax plan . and an investment that returns more than any painting you could possible own. . no agreement - no work. however - I of course will talk to Barry for the hour that i promised , and take your guidance as to what I should say.

1On Apr 6, 2018, at 11:15 AM, Jeskewitz, Jeannine <[redacted]> wrote:
I'm in touch with Lesley and [redacted], we will work together on these reservations.

All my best,

Jeannine

On Tue, Apr 3, 2018 at 5:43 PM, Lisa Emelia Svensson <[redacted]> wrote:

Air France has a strejk ... so French
Trying to rebook later in the week Will let you know

3 apr. 2018 kl. 16:29 skrev jeffrey E. <jeevacation@gmail.com>:

im in paris now

Date: Tue, Nov 15, 2016 at 6:13 AM
Subject: Fwd:
To: Melanie Spinella <[redacted]>

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Date: Mon, Aug 29, 2016 at 1:41 PM
Subject: I know you have a lot on your mind.but..
To: Melanie Spinella <[redacted]>
sent to you JAN 29th 2016

you've agreed that
Your office is a multi billion dollar responsibility. your children will inherit it , in order to oversee their financial lives- I feel for you, truly ,but the facts are the facts, your ceo (Brad) has provided one bad

document after another for over a year , no getting away from it, , bad cash flows no new IT, each time with " its gettting better " no in fact -! its not. - the excuse, that Brad is not the numbers guy, is ludicrous. of course he didnt actually prepare the statements. - no ceo would ,- but over and over he presented them to you and me , after , holding them back for his personal review multiple times and after multiple drafts. weeks of his editing, the consistant but "inexplicable "missing the obvious serious errors . (gaming) inaccuracies, (cashflow) and mistakes (tax returns). why, ?! the simple answer is that at best, he is a c minus, (note. I, like you ,also give points for effort.)- ! an elegant art partnership gone fallow. ??!!I and its core reason to exist. not used ? no docs for plane?, still ! why? no docs for decantings why? the docs for deal 1 received last night , " no docs at all for deal 2, the biggest " . why wasn't Tom brought in , after 4 times of my incessant reminders your admonition etc. the trading accounts ?

Barry Cohen is great. more like him please .

you asked , - I did my best trying to train your brad chosen people in the face of my telling you that they were never going to be more than c-minuses, thousands of emails thousands ? Brad at its head . you can't as a ceo, have an accountant give you multiple pages with the most important numbers missing altogether and not notice, you and I saw the errrors right away ,as did my very junior bookeeper after only a cursory glance. He told me he didnt know the details of his note? ! , my guess is that he wanted to pay less. no more than that, any other story is blather. its silly. Talk to richard yourself.

re your estate. Yes another Brad issue - your will, needs revision. the tenants in common structure I assume Alan has carefully walked you through. it is way overdue, needed and exciting. I won't list the more serious issues in an email but we can speak over the weekend.

How can I help? We agreed at the time when you hired Castrucci , that when you fired him, I would bear no responsibility

Date: Thu, May 12, 2016 at 6:17 AM
Subject: tight schedule lets try a set time to speak
To: Melanie Spinella <[redacted]>

Leon, you hired me to produce a work of art. it was not inexpensive. the value far exceeds any other piece in your collection.- by FAR . It took me 30 years to be able to craft such a work. I understand your desire to modifiy my work, in doing so you have brad telling me , just a bit more red., here let me show you, you yourself pick up a brush a add some strokes. you have joslin spray water on it to maintain it. I vigorously complain that joslin in ruining my work . . you describe me as zeus, i describe it as artist and a reaction to his work being ruined. however Im aware that you own the work and you have the right to paint over it. tear it up , put it in the closet in the basement . its yours.

I was told that Toms office is sending someone in ,or some people in, to review "some things." brad told me ,the partnership accounting. I know absolutely nothing more than that. though bringing in his team was my idea . Having them review things without even asking for my input , or let alone my direction ,is ridiculous. but.. I guess you wanted to save money. ?

The audit has brought to the fore the lack of your office quality that i have been violently squawking about. ie . children playing with works of art. . It is inconceivable to me that John castrucci is still there , joslin part time, but relied on . joe error prone and brad a corporate bandleader talking about the office's finance team, accounting dept, and directing wendy to do things that are clearly not in your interest. (saving money again ?) its nuts!! . a still non-existent IT dept. impossible , it was the first thing on my list of things that were needed to be done. Still no trading accounts to speak of , though its prophylactic quality has been discussed over and over during the past three years . computers do not read Page Six . the women at the IRS do. ! you said your motivation in keeping this group of part timers was a consequence of the high cost of my artwork. . the unfortunate result was easily predictable. - now

If you want my and my atelier to continue, I will oversee the audits. take charge of the TRA BRH assignments and review 2012 amendment options!!(note :your redo of the estate fire drill has not progressed very far). Lots of paper needs to be collected and reviewed, At MY direction. the outside team will be brought in at my expense working for me and you. coming in for interviews and reviews, . sucession, technology, tax and compliance. investment reporting , , computerized timelines for filings etc. . household classifcations and reporting with a system of best practices.

My goal is clear - to end, not extend , our financial interactions. you will have a machine that works , it will not be complexto oversee , to create it, is some thing else . Unfortunatley for us both, the price for my works has not changed since day one. 40m per year, I m willing to discount it to 35 as I did give you a bad number when asked and should pay an embarassment fine. Im also aware, as you made perfectly clear . that you have already paid what you consider a great deal of money, for my work , but again its value exceeds anything else by far in your collection at a cost less than agreed upon. . please also remember that you and i agreed no more demands on my time after the last payment for the big transaction.

OR, you can decide that brad , tom , and whomever else you choose can screw with my work and they can oversee your audits . they are both aware and sensitive to the issue at hand. alan could be brought in but i would be extra careful having paul weiss given access to entire story.

_-On an unrelated note- you recently seemed shy to discuss certain things. , please be assured I make no judgement on any of your activities , whether or not i agree with them . not my role I am always on your side on the table. I hope your personal life quiets. you 've had a rough 15 months.

3. Remind me to talk to you about MR
Date: Mon, Sep 19, 2016 at 8:56 PM
Subject:
To: Melanie Spinella <[redacted]>

dec 2015

IT, still desperately needed- reporting flawed cumbersome and inaccurate . all done by hand as one -off exercises , - airplane: re structure, (my only suggested priority in june) is really ,no further ahead, ,consultants up the kazoo but nothing at all done.(the office was told that i cannot even see the proposals received without brads specific authorization) - brad has no idea even as to what questions to ask. he knows little of finance, is run roughshod over by almost everyone in the office. he is a little man , using your power, to appear larger . Eileen was self aware enough to know she was over her head , that is a huge difference. bad info is rampant ie 3 million in deductions Im told are taken for art space but on closer examination it turns out they cannot be used at all. (ZERO benefit) though you will be told yes they were deducted on the return they said that is the question they get asked ! " were they deducted " not -" is there a benefit " !! I asked for the balance sheet and P and L for Regan arts , a basic first step in order to check your financials. "sorry we never got one?" though 9.8 million invested, no p&l, nothing , a construction project run amok , no budget, the coo fired after only 3 months. , no clue . I can add that artspace financials are also a total mess.

As your friend and in order toturn the page. I will try to be constructive
The following is a list of things I think would be in your interest to get done asap .but definitely not by me .

i suggest you form new grats. , hire a high level tax partner. use your trading accounts as they remain the paramount requirement 16 months after i emailed to you their importance. , I suggest you consider having the 49percent of phaidon merged into artspance and have Richard buy artspace. re-do bank loans. no need to pay interest at higher rates on boat or plane. . as Richard is now no longer trustee. re-do will, make suydam executor , with Barry, and john as back up. pay 1 million a year for executor role. get rid of Judy Black trust, deal with gifts and their tax returns, . review amounts to kids at fixed ages. put more protections in for Alex and Victoria. , distribute some money to kids let them make decisions. , decide art division with children in attendance . have fire drill done on estate. fill out estate returns as if you and Debra died today, choose advisers - rick bronstein said the only 1040 he ever filled out was his own. (this is brads chosen advisor??!) Halperin has a conflict that should be addressed., Debra should enter a tenants in common agreement with kids. you have airplane consultants tax consultants it consultants. plane operation consultant. . boat consultants. architects, lighting , art, legal, . foundation , deal with TRA , BRH , rationalize investments. cash flow. reporting, gaming disclosures. foreign, gift. . prepare tax projections for 15 and 16, . deal with neg basis (tufts gain, debt financed. art partnership, pledges. sell stock , art, deal with phaidon debt. athene,? income , capital , foreign , exit, corporate, insurance regs, out and inbound issues, basis, appropriate discount rates. ? terminations. control. , qualified dividends. corporate tolls, inversion rules. , grat issues, short swing and other sec disclosures, Rothshcild bank, 150 b they have a distribution network with no products , private bank Rockefeller Rothschild. financial service. deal with UK visa issue sooner rather than later. we can talk about Rowen request re Athene , 2 billion in taxes on transaction. ?!

the facts as i see them

in June and then again Sept, we both agreed to a 50% of phaidon payout., then after weeks of thinking about the issue (which I fully understand) . the payout was unilaterally changed . 5m woudl be reserved for the future ? . and out of the remaining 15m ,? i would receive only 5. (note : I'm confident that both the debt , and the artspace investment will also lead to a write off of another 30 m. plus) In my dining room ,you were surprised when I said that i require most people to pay their advisory fee up front so that I am assured that I will be properly compensated for my work when strategies that I devise are implemented . you may recall that you appeared offended and said " are you suggesting that i would go back on my word " I said no , of course not ! you are my closest of friends ,but my experience is that when amounts get large, people tend to get unhappy when it actually comes time for them to pay ,. From day zero a 50 - 60 million price was attached as the fair price of the transaction just completed . though this amount was already substantially less thanour agreed and negotiated formula. - I was never told that this was out of range. in fact, alternative methods of payment . plane -in-kind etc, were discussed (ie keeping the 30m portion of fee outstanding till March) ,I provided as requested a detailed step by step execution plan and reviewed all documents that i was given access to. (Phaidon was not forthcoming) in order to make my many corrections . I was then told that Alans involvement warranted a discount . Even in the best of light , though it is beyond question that not one-,not -one time in three years has he ever proposed a unique idea. (including the new tenant in common idea,) and lets say he made a contribution to the plan andeven that it was 50 %. though no one could posit such a large amount unless they were wearing a brightly colored clown suit. , the price of doing the deal was known . It had both sent in writing and spoken about on the phone numerous times , a detailed execution plan was provided . then and only then after all was laid out for the group I was told that after a number of conversations with brad karp that only 20m would be paid , (and even that was more than originally contemplated) for both transactions . I feel It was remarkably unfair. Did brad even know of our prior agreement.? I called him and he said he was never told.?, I would ask that you I and Brad karp sit together if you think it would be helpful. . I would like to send him this email, with your consent of course. If the transactions were never consummated , i would not be owed a dime, however , the price was known up front. , the detailed step by step plan was followed and overseen by me, the price that had been requested before the transaction was begun, and had lready heavily discounted, out of friendship, from our agreement . I believe the decision re paying only 20 m has frankly left me felling quite uneasy.

since you asked since last nov. i found 11 million dollars in dormant accounts. 4 million dollars in eileens drawer. . went through cash flows for phaidon shwoing that john murphy is not an accountant. redid your gagosian contract , . organized structure in case of divorce. set up gift trust. stopped ada from including multiple times things not in your interest. dealt with bad sales tax use tax income tax . created 8 millino in deductions ,500k in mistakes , found bank of scotland fbar problems, . . reorg bad art purchases , funds taken, , charibale decustions , helped with fincnacil sttment gamoing commions fling. . boat deductions, rescued stock from grats. . may 1 after months of brad not finding anyone i sent an email saying you would have to pay more. . on april 15. I sent an email detailing payments owed if i could figure out the basis issue, please see attached, .

questions you might ask your team ask them to provide a balance sheet or p&l for REgan arts. . doesnt exist
ask . either wechsler or haperin to tell you what brh is, or how the tra works. . . ? as bronstein to tell you why the proposed phaidon transaction DOES not work. . as them to give you a plan for the plane. ? ask them to show you the cash mgmt for over 100 million dollars. . ask them to show you the IT system progress after one year. . the approval process for payables. . the cash flow projections? assumptions? ask for a comparative review of investments. ask haperin to describle to you in any detail BRH , the major asset of his two biggest clients. tax basis, disposiotion in the estate. . etc. ask brad to show you the liquidation of the inteveing art space cos? .

Last year you asked , for my help I told you I preferred not as we would be better off having no financial intereactions. the risk was not worth it. You told me that as my friend i had to do it I agreed., here we are in what I find to be an awkward situation. the transactions that i decvised were used , our agreement was ignored. and im not sure how to respond.

Date: Thu, Sep 29, 2016 at 11:47 AM
Subject: new info
To: Brad S Karp[redacted], Melanie Spinella <[redacted]>
brad, leon.
After I spoke to you both, I excused myself from a dinner with some heads of state to walk into the bathroom to make some calls re 8865. I wondered whether any group that we could assert had control had filed in the past years. I called Fenn and he told me- yes.???!! he said that on friday , for the first time he learned that AGM was not delinquent at all. and had filed. !! I asked why no one had ever told me or given me the purported justification for no filings in the past for the founders. and he said Well, sorry , it was discussed on fridays call. ? the call i was not on . not invited to ,the call wechsler didnt listen in and joslin didnt transmit , if it is true. Im also now told there is a note from Deloitte re 13 and 14 that says the founders DO NOT have to file. but fenn could not tell me who wrote it and said Deloitte says to ignore it. , that s why they are pushing now.

steps 1 8865 has many exemptions for filing. let see if we can find one . (an elegant position might be josh and agm if he is panicked and leave us out). The requirments are FACT specific , so without the facts we still have nothing. fenn said he has now put someone on it
2 leon , I suggest need to focus on 1040 , 2015. , we may even consider filing the minimum 8865 , and wait until we are sure of our specific requirements, and file an amendment for 15 as well as past. no harm no foul\

Date: Thu, Sep 29, 2016 at 12:34 PM

Subject:
To: Melanie Spinella <[redacted]>
Leon, I am on the verge of giving up. sorry. I cannot deal with the major incompetence of your family office. I have been vocal about change. you have made none. john castrucci, still involved etc. the bullshit corporate speak, of -our accounting dept , our bookeeping dept our finance dept, the comptroller . now gives me responses that --we have heard from Deloitte , I ask, who at Deloite?. -- dont know , the new team at Deloite says the old team was wrong ! what new team? what old team? -- dont know. . Pwc agrees who at PWC , ? ? I ask ,- dont know. BDO is almost finished - who, ? dont know; . akin gump agrees. . Fenn? - not sure.

I have spoken to each of karp[redacted], pezner, fenn, brad. joslin, bodian. multiple times . like your office no one in charge with knowledge. so rudderless hysteria . silly beyond belief as this issue is a non event. other issues have been shunted aside that have real consequences. I know you are jet lagged. I am schedule tightly today , but can free myself for 15 minutes if you want . if so have melanie talk to lesley
--
Date: Monday, 3 October 2016
Subject:
To: Jeffrey Epstein <jeevacation@gmail.com>
alan told me you are going to meet tomorrow morning . He has asked me to review the presentation. I suggest you see for yourself . since you argued that he was partial architect of the big transaction. you will see. -- bad numbers. unclear assumptions. opaque presentation. no alternatives. no review of agreements. standardized schedules without names , handed out to the dentists. . NOT even up to date inputed numbers , why in the world would they present numbers 4 months old. ??!!/ it is only imputs. dividend assupmtions. a mix of silliness. (art given to museums is listed as cash out). discount rates of 13.05 %. what type of number. . 100k for illness expense and funeral, in a spread sheet of 5 billion dollars.? insurance numbers left out. says debra owns half the boat? taxes? all a waste of time

A clat probabaly makes sense. however who runs it, if interest rates change. did you give them the assunptions on growth?

Date: Sun, May 1, 2016 at 6:51 PM
Subject: Fwd: Valuation Discount
To: Melanie Spinella <[redacted]>
Leon please read the attached proposed response to the IRS , see if you can understand it !!!. Ive asked for a re-do. and given prelimiary directions to Alan to have it edited over the weekend

. If you are quarterbacking ,ok with me. just please let everyone know. you must deal with the outrageous incompetence in your family office .. Alans words " but I was told that.. , but I was told by the office (sic) that ... , BUT i was told by joslin,. , but I was told by . " why is leon blaming me for .." . I ve have always given you my best advice, If you reflect on your financial life , you have been kept safe , had remarkable results and no disasters. I have repeatedly urged you to get rid of the people in your office. , you have repeatedly chosen to ignore my advice , you told me last week that the emotional reason was in order to be weaned off my group and not have to pay my high fees. (though ignoring the benefit of between 1.5 and 2b to the better.) . and no explosions. You have email after email ,where i remind you that I am not your bookkeeper or accountant (in brads corporate speak his" finance dept ??!!) that it should be redone .I have reviewed a multitude of the silly reports given to you and have pointed out the continued numerous inaccuracies . your question " so what if the numbers are off , so what if the categories are off. whats the big deal??. I suggest you de risk you finances and make the tough decisions necessary - pay the right amounts (high) to get the work done properly or , you are , Im afraid, certain to get an unhappy answer.. tom will be back from vacation. this week.

Date: Thu, Apr 28, 2016 at 5:16 PM
Subject: Valuation Discount
To: "jeffrey E." <jeevacation@gmail.com>
I am attaching a draft response from Empire Valuation as to why it arrived at a valuation discount on the low end. Let's discuss the response and next steps. Thanks. Alan

Date: Wed, Nov 9, 2016 at 10:27 PM
Subject:
To: Melanie Spinella [redacted]>
sorry, I can call on thurs or sit face to face fri afternoon. . I will be in ny until monday morning. decisions- questions good news . I have a really elegant solution for most of the following, 1 gift tax. cash or in kind . 2 . 1031. 3 fire drill brh tra etc. 4 . xxxx 5. 8865 s.
tax planing running out of time. . 7 restructure office . barry? brad told me he thought you had acknowledged high value this year. gift tax audit etc. , . April, Oct. . returns. manage joslin , who is still running your tax dept .

you and I need not rehash old postures, its tedious - I would ask that you tell me if you intend to pay for the work that was done, and for the work you expect to be done, . thanks

Date: Tue, Nov 15, 2016 at 12:13 PM
Subject: Fwd:
To: Melanie Spinella <[redacted]>
Leon, Congragulations on biting the bullet. at least 18 months late , but I m encouraged and glad for you. When you interviewed Brad two years ago you asked that i not tell him what a disaster lay before him. what would you like me to tell Barry?

There is a HUGE amount of work to be done in the next 9 -12 months. mostly the exact same work that i outlined in my email of 2 years ago. now complicated by years of mess on top. (you can send it again if you like) . Brad wechsler was never up to the task . sorry, I realize I have been saying the very same thing for a long time. he was a not a step up from Eileen but a step sideways. in the beginning there was Eileen and Tom and Ralph Lerner. all your hand picks. then brad. john, Joe. . joslin was chosen from a pool of 2 people. each that would be limited by a salary of 250k. (yes i personally augmented his comp in order to get him) I did say hire both Lisa to do the bookkeeping and joslin tax,

He complained for over a year , re his direction by eileen and ada , and then brad. His breakdown was not a surprise after months and moths of warnings. Though disabled, he ran your office this year. with john and joe. He ran amok, and as i told you he rarely failed to remind me in our conversations that you told him that he works for you and not for me and that brad needs to pays him .

. Asking me who to hire , estate attny tax people etc. :
I have taken heat for years over the fact that i gave you no more than carlyns name, . no follow up questions no interactions , not even one single question asked of me re her work. (that was Eileen _) but somehow carlyns fuck up was my doing. . when i told you that i thought Eileen wasn't up to the task, you bellowed that i was talking out of both sides of my mouth. . You told me this year , that by trying to protect you from crazy joslin, I had in essence fired him and it was my responsibility to do his work. it then turns out that he didn't consider himself fired at all he just received less money. and continued to make a really dangerous mess. . Joshn castrucci, in your eyes , was also my doing , though email after email said , I take no responsibility for him,and iYOU SHOULD NOT HIRE HIM .!!! , , your response was that was my opinion was only because i didn't trust him. then to add insult to injury last jan you told me he was gone. however he too is still there, and a waste of money and space.

My time is complicated by Donald's potentially eviscerating any reason for anyone to use the foreign funds repatriation plan that i had put together. . however as you are aware I have some decisions to make re my time allocation in the next year or two. so at least for a few weeks I am unable to commit much time and make any future plans to guide you in the redoing of your procrastination produced mess.

That being said , the tasks at hand are the following.
You have a bomb of colored string that your retarded children have formed , It has to be very carefully unwound , even the substitution of Barry for your next trustee, needs a careful focus on procedure.s It would be much preferable if Wechsler was not his replacement. do you have any person you trust ??! . I am concerned re brad taking barrys place re XXXX. In the beginning Barry will need to find and learn ACCURATE . org charts. books , balance sheets . trust valuations. are all a part. Barry will need 2 months to just get his arm around what is there , this is before any needed modifications.,

a way overdue re- fresh of your estate plan . . clats , trust. partnerships. grats. llcs. bank accounts , filing requirements. etc. the long awaited review of the brh tra and shareholders agreement to see how they fit into new plan. . " XXXXX" planning. art partnership engagement .. , airplane re-do. , buying another. . ? boat sale , Miami sale. . TRADING ACCOUNTS. . three years over due. . an accounting system. fire john .. joslin stays for a year. or so. so does tom and . except for heather everyone should be replaced with new. . Sell Artspace and shut down regan arts. . rationalize. cash flow reporting. cash mgmt. stock sales. sec irs. gaming. foreign reporting. the 8865 mess will take months to review now . . you CANNOT file unreviewed audited documents. . CANNOT!!! this will be very detailed work. . a self inflicted wound - all avoidable if professionals had been in place to limit . or contain it. . . you will need 3 new hires .a s there is no one in your office that is truly an A player. I have great hope in Barry as you know. He will need to be trained. note
; One year is my guesstimate After 4 years of telling you , that you could do better than Halperin, : im glad that you now are willing to follow barrys advice . I take no offense , in fact I take comfort in the fact that after only one conversation with Barry you are now convinced to make that change . will take a year or more.

I expect as a friend you will understand that
I will no longer , not even for one day , work on your affairs . without the compensation that is long overdue. . your unilateral idea of after care , not imposed on any other professional , except me, not paul weiss ,(caesars alone , a direct screw up on their part) tom, akin, , no one. needs to end. . you and I had previously agreed no more of that , and this after you decided not to pay me per our agreement. to be fair I can not say im surprised as you have email after email , stating that , if you save a great deal of money, you wont want to pay , so limit it to 40m per year. - water under the bridge

If I can find the time to work , on your project , which is not by any means certain as I have said , I hope you understand that it now will have to be under my standard terms and conditions. and well documented so as to avoid any more of the he said she said. I never want to have any more uncomfortable money moments with you , I find it very distasteful. . so to be clear , my terms are as follows . I will only work for the usual 40 million per year. It needs to be paid, 25 million upon signing an agreement . 5 million every 2 months thereafter for 6 months ie march may june . this can begin if i am able in January. I will immediately stop work , if the payment is not received. If you want me to work this year until Jan 15 , it will be 10 million. paid upfront. after one year you will be left with a new estate plan a running office. staffed with professionals overseen by Barry. (hallelujah) a tax plan . and an investment that returns more than any painting you could possible own. . no agreement - no work. however - I of course will talk to Barry for the hour that i promised , and take your guidance as to what I should say.

Date: Tue, Nov 29, 2016 at 1:27 AM

Subject: so there is no misunderstanding
To: Melanie Spinella <[redacted]>
I have told the brads and barry,- I am done. its not a negotiation , out !! - fyi given my carlyn joslin castrucci, admonishments,- though my involvement in those - in one instance only gave a name - in another only given an eileen dictated choice btween two 250k preparers. and for castrucci, I actually sent emails that i take no responsiblity for his being hired. - however you felt strongly that I should be saddled with their outcomes .even with brad wechsler , i again said two months in, Leon, he doesnt get it. I tell you this so that you will understand that I will not interview, recommend or vet any new hire.
A story - In 1993 trump and I had a friend that kept telling his pilots how to fly , and when to fly , he couldnt help himself from hiring morons as co pilots, and maintenance people based on cheapest rates. Donald and I tried and tried to talk some sense into him, to no avail. Donald and I were in aspen, sitting at little nells. when the friends plane crashed into the side of aspen mountain , klliing him and all on board,- Trump looked at me and said without a blink , I guess NOW he wishes he would have listened to us.- a metaphor for your office. . . had we not waited to the very last hour having had a six month window and tens of unasnwered text and emails re decisions needed including the 1031. you would have saved way more than you often feel obliged to argue about. . silly but i reallize you are stressed.
Barry will need to sit with brad for months, to absorb all the co's , structures. cash flow, financial statments etc. I will present barry my thoughts on the overall redo , it will be the exact same email that i presented to you and brad two years.ago . accurate numbers first. and foremost. . (last week gaming report stil funky). IT etc I pointed out some of the more glaring errors to barry to give him a flavor of what is to come.

Tuesday if you like we should discuss Giacometti , and pesner . difficult to finesse him if they are filing documents that you won't . these ridiculous conversations with tons of people on the phone , removes any claim you might have to not be considered a WILLFUL NON-FILER . (after youve been told by attnys and pwc that you should file in writing , you have NO choice) .. worst possible result - including serious penalties up the kazoo.

Date: Tue, Feb 24, 2015 at 8:20 AM
Subject:
To: Melanie Spinella <[redacted]>
Leon,

Yesterday , I again spent hours upon hours of my time with your office. ,(speak to brad to get flavor) and you and i will discuss the results in gory gruesome detail on Friday. it mirrored many other weeks spent doing the things that I don;t have the time to do.

In order to keep things in perspective, maybe reviewing an analogy I have used before with you, might be helpful. You and your family are a 6 billion dollar corp. with an income between 250 -500 million dollars per year. It contains a few operating biz's , a large wide array of existing investments, in various categories , a desire to enter into others. A panoply of loans, notes. purchases, wide range of all types of taxes. , planes. boats homes. . trusts ,grats. a crazy number of bank accts. (with no oversight) . law firms, acct firms, 800 page tax returns, foreign firms. art consultants. construction consultants bill payers, home mgmt.,vast multitude of llc's , including foreign, and with all that you only have a combined overhead of less that 3 million dollars.

I have previously sent you the very same note that i have enclosed again below ,this time with highlights . I wrote it to you over a year ago. As my acute disability (selective memory) seems to have been raised as one of your concerns , as a rule I try to memorialize things in writing in an attempt to lay out issues that I fear may later turn out to be a problem. ie what i would and wouldn't do , - my responsibilities. etc and those things that are not. below you will find details of things that I thought needed to be done, so that you wouldn't find yourself in the very place where you currently find yourself. however ,you chose to defer many of my suggestions- see below -,until only weeks ago. ! you chose to defer the jpm acct. the art partnership on and on - into this year. and though the 60- 50 40 timber emails all carried with it a clear warning that you needed to do something re personnel if it were to stabilize,- you chose to wait.

ONE YEAR AGO

Feb 17 2014 i wrote :

With regard the more pressing issue I am uncertain of just how to proceed. I am torn, as my very strong inclination is not to be involved at all . It is extremely time consuming, delicate, fraught with many pitfall many that will make you very upset and a major pain in the ass. I wrote you months ago that the quality of the people involved need to be upgraded. (lucky for me these last issues arose way before the beginning of my involvement) I am also aware however of my overarching friendship obligations of ok, -given all the complexities who else can do it? problem.

Your family office needs a daddy. children with good intentions are running around , sniping , nitpicking with little direction. As a stopgap measure I am suggesting , we put in Larry Delson to take charge Everyone would report to him. Eileen included. He would however work for me. this is not, by a long shot my first choice as I prefer only being responsible and standing behind my own personal work (ie the word DONE will no longer be transmitted to reflect status stated by others)

With no commitment on my part whatsoever, to do it. So far as I have failed in my attempt in trying to think through the problem creatively . My organizations handling of the more complex issues I believe you might find very costly, very ! (however many structures available some risk sharing, maybe risk caps ,etc) but would require my teams doing the work , not yours. Ada should be only a trust, grat administrator. not sure what role you prefer for Eileen as you hired her initially to oversee investments. whether Rich your controller stays or not, is not urgent. having Tom report to a new person,- is. coordination with Suydam Kathy Gregory, I would suggest limiting to one person. The increasing public profile needs to be taken into consideration.

TODAY

With your acquiesence , Eileen did not report to Delson (he acting as a conduit directly to me) , she continued to provide bad info to both you (cash flows , stock accts, structures. sales Etc) and me. and each time with my many annoying calls to you made immediately afterwards that she was g.....y !! No one was hired to run YOUR office until two months ago , no one was even interviewed and even now , Brad, a very nice man, is not even full time,(crazy) Hours upon hours of time need to be spent training him . and his new staff. Eileen followed your instructions. not mine. in fact she continued to ignore mine saying " but Leon said " or " its on Leon's desk etc " , You would become frustrated when i pointed out each instance. of her obfuscation. originally you were given the clear choice, but to save money ,you chose not to hire my team . I was hired to do the architecture, you kept your own team. with Eileen at the head. instructions were given by me, , detailed but ignored by her. (except in the instances where I inserted myself and personally had to do the weeks of grunt work),ex. jpm morgan acct still not in use? That being said, If you do the cold calculation ,starting from where you were, to where you are currently . you have made a hell of a deal. -- negotiating down my original amount requested , calling upon our friendship and suggesting that the Carlyn mess was partially my fault. (though in that specific example , I had never been asked to do more than merely provide you the name of the most highly recognized atty in the field, not consulted,nor even asked again for my guidance along the way.). I accepted the discount as your friend. (by the way ,,suggesting now, that your Tom is now that last word on tax characterization, frankly is a bit much,-). however - that is all in the past.

In order to move forward

I would ask that you realize that very unlike yours, My business is only comprised of my personal attention and my personal time . Time that I was forced to grossly overspend on your various issues last year. . As you are my very close friend I will not have you participate in a bidding process that I have decided i will have this year for my time . (hopefully a more fair way to allocate) I would also ask that you keep in mind that though our deal expired months ago. (also keeping in mind , that your understanding of the final payment terms neither reflected the emails or my memory, we finished it up your way.) I have answered every call Brad , joslin, Ada or you, have made . reviewed docs over and over/ until once again, I was forced to insert myself strongly as I thought it dangerous not to. I made serious dollar and time concessions last year.very serious I am wiling to continue to accommodate some of your concerns , but I am, under no circumstances , none, willing to spend my time for free. its not fair. After cleaning up Carlyn's mess , which was a few weeks and 30 million dollars . We were both highly aware of the dire circumstances in which you found yourself last year, and in fact due predominately to its seriousness. and those very circumstances I took extra care in our negotiations . (you had claimed I had you over a barrel , (a horrible position to be in with my very close friend.), unfortunately I fear that if you are not cautious ,in the near future, another barrel will appear of your own design)

I heard you when you said you believed i had already been paid for the work that is now required. The art partnership has fully answered all your concerns and discharged all my obligations and more so. . (FYI Carlyns art partnership that you referenced is similar in only its title.) You will also recall that you required that my payments be at the end of my work not at the beginning as everyone else's .(my work was never to include hours upon hours of training your staff). I eventually agreed, this of course should make clear that the 2014 tax year that will close Oct 2015 is not covered by our past agreement at all. I pointed this very fact out to you when I initially proposed a multi year agreement right out of the box. you said you preferred not. As you said ,I have produced results to date, far in excess of even my own exalted opinion of my projections. I have devoted a monumental amount of my limited amount of time-- way, way in excess of our agreement. I will be fair, I am willing to roll in the amount still outstanding from last year if that helps .. However, As my best student , and my only one, you are now capable of doing most, if not all, of the required work yourself. I can put my whiteboard away when you come to eat and just have fun, trade stories,. share moments ideas etc. . I am of course always available to guide you as a friend if you choose that route . always . It will take a great deal of your time , but you will not have to spend any more money on mine .

We are scheduled to meet fri at 430 , I leave at 5 am sat morning.

Date: Tue, Mar 21, 2017 at 6:58 PM
Subject: Fwd: request for docs - AAP
To: Richard Kahn [redacted], Darren Indyke <[redacted]>
not for now. but maybe later ,
---------- Forwarded message ----------
From: **Ada Clapp** <[redacted]>
Date: Fri, Mar 17, 2017 at 10:45 AM
Subject: RE: request for docs - AAP
To: "Barry J. Cohen"[redacted], "jeffrey E." <jeevacation@gmail.com>
Cc: Brad Wechsler <[redacted]

Attached are:

1. Executed Version of AAP

2. Most Current Draft of AAP
3. Redline of 1 against 2
4. Summary of AAP from Vanessa Eng

-----Original Message-----
From: Barry J. Cohen [[redacted]
Sent: Friday, March 17, 2017 8:07 AM
To: jeffrey E. <jeevacation@gmail.com>
Cc: Brad Wechsler <[redacted]>; Melanie Spinella
<[redacted]>; Ada Clapp <[redacted]>
Subject: request for docs
I will organize. Copying Ada who has a lot of this.
Sent from my iPhone
On Mar 17, 2017, at 7:25 AM, jeffrey E.
<jeevacation@gmail.com<mailto:jeevacation@gmail.com>> wrote:

can you send me latest bank art loan docs. BRH agreement . TRA agreement , agreement amongst shareholders. . , org chart for phaidon , art space and regan arts. . . , ownership only, . - list of invetsments , ownership of l.a. house.structure, / list of art by highest gain. . -

Date: Tue, Dec 29, 2015 at 7:26 AM
Subject: Fwd: leon DO NOT SEND, hand deliver.
To: Jeffrey Epstein <jeevacation@gmail.com>

Transaction complete !
. this - in spite of your collection of Elysium misfits. !!!
With Brad out of the office and unable to run his usual interference , the level of his utter incompetence was brought front and center, he may be a step up from Eileen, but if he is , then it is not certainly not by much, . Though you and I have spent many many hours discussing the importance of details and mechanics. I was not shown one document re phaidon,- not one.. Brad wanted to keep it private between he and his so called " advisors " however as he was out of the office during the most important transaction of the year, I did get to spend time with joslin Joe and john, - the situation in your office is wholly ludicrous - to summarize - the list I provided to Brad last December - things I thought were a priority to get done after consulting with your office still remains virtually undone.

IT, still desperately needed- reporting flawed cumbersome and inaccurate . all done by hand as one -off exercises , - airplane: re structure, (my only suggested priority in june) is really ,no further ahead, ,consultants up the kazoo but nothing at all done.(the office was told that i cannot even see the proposals received without brads specific authorization) - brad has no idea even as to what questions to ask. he knows little of finance, is run roughshod over by almost everyone in the office. he is a little man , using your power, to appear larger . Eileen was self aware enough to know she was over her head , that is a huge difference. bad info is rampant ie 3 million in deductions Im told are taken for art space but on closer examination it turns out they cannot be used at all. (ZERO benefit) though you will be told yes they were deducted on the return they said that is the question they get asked ! " were they deducted " not -" is there a benefit " !! I asked for the balance sheet and P and L for Regan arts , a basic first step in order to check your financials. "sorry we never got one?" though 9.8 million invested, no p&l, nothing , a construction project run amok , no budget, the coo fired after only 3 months. , no clue . I can add that artspace financials are also a total mess.

As your friend and in order toturn the page. I will try to be constructive
The following is a list of things I think would be in your interest to get done asap .but definitely not by me .

i suggest you form new grats. , hire a high level tax partner. use your trading accounts as they remain the paramount requirement 16 months after i emailed to you their importance. , I suggest you consider having the 49percent of phaidon merged into artspance and have Richard buy artspace. re-do bank loans. no need to pay interest at higher rates on boat or plane. . as Richard is now no longer trustee. re-do will, make suydam executor , with Barry, and john as back up. pay 1 million a year for executor role. get rid of Judy Black trust, deal with gifts and their tax returns, . review amounts to kids at fixed ages. put more protections in for Alex and Victoria. , distribute some money to kids let them make decisions. , decide art division with children in attendance . have fire drill done on estate. fill out estate returns as if you and Debra died today, choose advisers - rick bronstein said the only 1040 he ever filled out was his own. (this is brads chosen advisor??!) Halperin has a conflict that should be addressed., Debra should enter a tenants in common agreement with kids. you have airplane consultants tax consultants it consultants. plane operation consultant. . boat consultants. architects, lighting , art, legal, . foundation , deal with TRA , BRH , rationalize investments. cash flow. reporting, gaming disclosures. foreign, gift. . prepare tax projections for 15 and 16, . deal with neg basis (tufts gain, debt financed. art partnership, pledges. sell stock , art, deal with phaidon debt. athene,? income , capital , foreign , exit, corporate, insurance regs, out and inbound issues, basis, appropriate discount rates. ? terminations. control. , qualified dividends. corporate tolls, inversion rules. , grat issues, short swing and other sec disclosures, Rothshcild bank, 150 b they have a distribution network with no products , private bank Rockefeller Rothschild. financial service. deal with UK visa issue sooner rather than later. we can talk about Rowen request re Athene , 2 billion in taxes on transaction. ?!

the facts as i see them
in June and then again Sept, we both agreed to a 50% of phaidon payout., then after weeks of thinking about the issue (which I fully understand) . the payout was unilaterally changed . 5m woudl be reserved for the future ? . and out of the remaining 15m ,? i would receive only 5. (note : I'm confident that both the debt , and the artspace investment will also lead to a write off of another 30 m. plus) In my dining room ,you were surprised when I said that i require most people to pay their advisory fee up front so that I am assured that I will be properly compensated for my work when strategies that I devise are implemented . you may recall that you appeared offended and said " are you suggesting that i would go back on my word " I said no , of course not ! you are my closest of friends ,but my experience is that when amounts get large, people tend to get unhappy when it actually comes time for them to pay ,.
From day zero a 50 - 60 million price was attached as the fair price of the transaction just completed . though this amount was already substantially less thanour agreed and negotiated formula. - I was never told that this was out of range. in fact, alternative methods of payment . plane -in-kind etc, were discussed (ie keeping the 30m portion of fee outstanding till March) ,I provided as requested a detailed step by step execution plan and reviewed all documents that i was given access to. (Phaidon was not forthcoming) in order to make my many corrections . I was then told that Alans involvement warranted a discount . Even in the best of light , though it is beyond question that not one-,not -one time in three years has he ever proposed a unique idea. (including the new tenant in common idea,) and lets say he made a contribution to the plan andeven that it was 50 %. though no one could posit such a large amount unless they were wearing a brightly colored clown suit. , the price of doing the deal was

known . It had both sent in writing and spoken about on the phone numerous times , a detailed execution plan was provided . then and only then after all was laid out for the group I was told that after a number of conversations with brad karp that only 20m would be paid , (and even that was more than originally contemplated) for both transactions . I feel It was remarkably unfair. Did brad even know of our prior agreement.? I called him and he said he was never told.?, I would ask that you I and Brad karp sit together if you think it would be helpful. . I would like to send him this email, with your consent of course. If the transactions were never consummated , i would not be owed a dime, however , the price was known up front. , the detailed step by step plan was followed and overseen by me, the price that had been requested before the transaction was begun, and had lready heavily discounted, out of friendship, from our agreement . I believe the decision re paying only 20 m has frankly left me felling quite uneasy.

since you asked since last nov. i found 11 million dollars in dormant accounts. 4 million dollars in eileens drawer. . went through cash flows for phaidon shwoing that john murphy is not an accountant. redid your gagosian contract , . organized structure in case of divorce. set up gift trust. stopped ada from including multiple times things not in your interest. dealt with bad sales tax use tax income tax . created 8 millino in deductions ,500k in mistakes , found bank of scotland fbar problems, . . reorg bad art purchases , funds taken, , charibale decustions , helped with fincnacil sttment gamoing commions fling. . boat deductions, rescued stock from grats. . may 1 after months of brad not finding anyone i sent an email saying you would have to pay more. . on april 15. I sent an email detailing payments owed if i could figure out the basis issue, please see attached, .

questions you might ask your team ask them to provide a balance sheet or p&l for REgan arts. . doesnt exist
ask . either wechsler or haperin to tell you what brh is, or how the tra works. . . ? as bronstein to tell you why the proposed phaidon transaction DOES not work. . as them to give you a plan for the plane. ? ask them to show you the cash mgmt for over 100 million dollars. . ask them to show you the IT system progress after one year. . the approval process for payables. . the cash flow projections? assumptions? ask for a comparative review of investments. ask haperin to describle to you in any detail BRH , the major asset of his two biggest clients. tax basis, disposiotion in the estate. . etc. ask brad to show you the liquidation of the inteveing art space cos? .

Last year you asked , for my help I told you I preferred not as we would be better off having no financial intereactions. the risk was not worth it. You told me that as my friend i had to do it I agreed., here we are in what I find to be an awkward situation. the transactions that i decvised were used , our agreement was ignored. and im not sure how to respond.

Date: Tue, Oct 27, 2015 at 6:35 AM
Subject: Detailed constructive list.
To: Melanie Spinella [redacted]>
Cc: Brad Wechsler <[redacted]>

Deciisions needed asap 1 phaidon. topco etc. . (cash needs) many wires needed !! 2 new trustee or not. - new decantings 3 art in art partnership.??! .overdue ?! 4 grats? window - 5 art space. .6 regan arts. .7 plane simplify re strucuture re finance. re purpose . 8 .boat restrucutre , sister, 9 re fresh estate plan. to consider modifications Alex Victoria equal does not mean same. 10. tra review , sale. , 11 brh, doc review, 12. sale of stock or art ? tax, rent sale 13 . gifts of art. 14. charity current and future pledges , gifts, 15 cash flow. . 16 . new IT and new personnel. 17. operational re-do (bill pay etc) . 18 debra and children ? current and future involvement . notifications etc. . new dynasty trust ? 19. tax plan and dislosures gaming. foreign apollo and phaidon related . 20. investments rationalize incl trading accouints . 21. bank loans . rates ? ? terms etc. consolidate. plane boat houses. disclosures? 22 . consolidate and review and reduce the number of all bank accounts and legal entities. decanting liquidating etc. . 23 all outside consultants? valuations etc. 24 review legal bills carefullly. 25. third party responsibilty Bens house , alex films . etc.

Date: Tue, Nov 3, 2015 at 10:45 PM
Subject:
To: Melanie Spinella <[redacted]
okay, its time for you to decide how you would like to move forward. (fyi get your money from the 1031 . the screw up is only one of many,) If you decide to move foward on decanting. phaidon, note basis estate update , each requires many carefully orchestrated detailed steps. and precision . there are hundreds of millions in saving if done correctly and a huge mess if not. If you want me and my colleagues to do it , oversee it paper it and guide it, you should tell me. It is a big undertaking . If not , ok .. Brad and your crew can do it. I will have no real further involvement apart from confirming the outcome of my proposed structure, I will not risk the admonition of- they thought you said, they thought you meant, they understood it to be. but they said you said, (i e ,I asked at our meeting that accounting be done properly for bens house , what came back was ada thought that I meant that we needed to go back to the 97 trust and give him a full third party accounting of where his money had gone??!! I kid you not). I dont think brad should talk to jane heller without a fully fleshed out plan in place and even then it should be you.

Date: Mon, Nov 30, 2015 at 11:21 AM
Subject: agenda
To: Melanie Spinella <[redacted]>
1 fees, amount and to what entities when and responsiblitis. 2. gagosian idea to save a minimum of 10 mill and maybe more. 3. i can walk you through carlyns screw up, 50 % would have made little difference and maybe made it worse . 4. we should have an all hands meeting with your family to talk about art distribution on death. . 5. phaidon, decantings (already firmly in progress) loans. (alan) pent. (with follow up) all part of same elegant transaction, 6 asymetric risk worth at least 50- 60 no matter how you calculate. I can explain. 7 lets get the money issue out of the way once and for all. I have my team set to start.

Date: Fri, Dec 4, 2015 at 8:07 AM
Subject: Fwd: moving forward
To: Melanie Spinella <[redacted]>
I had forgotten that Alan was actually at the table when i explained my note deal to you. it was at the end of the meeting described below. . as you will recall , not once , not even a peep did alan suggest contemporaneously his hand in the crafting, in fact brad said it was an idea. that HE brad, HAD HAD , from the begiining . my emails between alan and I that you can read , further confirm authorship. Im sure you recall the obnoxious tooting when alan said he agreed with my plan. .

Date: Mon, Nov 2, 2015 at 10:03 PM
Subject: moving forward
To: Melanie Spinella <[redacted]>
I have mixed emotions about what transpired today. really, You saw first hand in nauseating detail what i have been saying to you for quite a while now. Joslins answers were totally incomprehensible.

the charts he prepared unreadable. Brads defensive posture was at a minum very surprising . He and I have recently gotten along quite well , I thought . Neither Joslin or Brad understood a 180 million dollar number . no cash flow after weeks of requesting? odd. when you suggested that heathers behavior was emblematic of a sloppy office , brad said lets not talk about emblems??! bill pay , admittedly no change for the year. . plane not done. though it was the only thing i suggested doing first in july . . I sent you a list of 10 consultantts. brad said three, . i didnt want to push it. I was shocked that brad was opining on things he knows little or nothing about. tax issues. 1031. neg basis , note payoffs (the same idea he said he had had from the beggining??!!) . answers re LBF holdings that can be corrected (they cant) . valuations that have never been read. . When we met in your lobby he seems surprised that i was there. I dont know if he felt somewhat sandbagged. . .
the savings on the note payoff is aprrox 33 % of 1.8 billion. real money if you do phaidon which i see no reason not to . if later josh and ben want to buy it back with you or without you they can. i will walk you through the structure one on one. . the losses will offeset the calder gain as well as apollo gain.
Im aware that seeing what you saw frustrated you. I felt badly for you.

You wanted a contingent deal. real value. etc. I will not of course hold you to your deal . . its silly. its not how i work or a reflection of our friendship. my proposal is as follows. I want away from your buisiness , but at the same time leaving you in good shape. I think you should pay the 25m that you did not for this year. for next year its the same 40 m as always, paid 20 in jan and 20 in july, and then we are done. I will give you advice and counsel but new people will be running your operating machine. I will oversee all the work that needs to be done you and I will hire new people , and it will be self running. (it was may in my house when you told brad it had been 5 months and you were getting fed up) I will set up a parallel . office , somenoe like wendy dolman or her quality is paramount. two accountants two bookeepers and two office admins. . alan and zoe will handle trusts and grats. heatehr diana george will be incolved in art partnership. if you want brad, analysts etc. and kids to do investments I have little to add in that regard ,except to be able to account for things properly. I suggest that the kids must have skin in any deal.
Alternatively , we can continue to focus on fun and let someone else do the things that you want done. and you and I can kibbitz about it all. structures outcomes risk, museums. charity, (joslins answer by the way was I had asked how much charity was leon planining to give this year , (the 2 m) he didnt include your foundation or the payment to me, or from debra and you??!!

Date: Mon, Nov 30, 2015 at 11:21 AM
Subject: agenda
To: Melanie Spinella <[redacted]>
1 fees, amount and to what entities when and responsiblitis. 2. gagosian idea to save a minimum of 10 mill and maybe more. 3. i can walk you through carlyns screw up, 50 % would have made little difference and maybe made it worse . 4. we should have an all hands meeting with your family to talk about art distribution on death. . 5. phaidon, decantings (already firmly in progress) loans. (alan) pent. (with follow up) all part of same elegant transaction, 6 asymetric risk worth at least 50- 60 no matter how you calculate. I can explain. 7 lets get the money issue out of the way once and for all. I have my team set to start.

Date: Fri, Feb 20, 2015 at 5:52 AM
Subject:
To: Melanie Spinella <[redacted]>

1) pg 1 A " unequal shares" . pg 23 "removal of trustees " absolute. dont be confused with abiltiy to set

up seperate trusts, , 2) I am reachable this afternoon in europe. on cell. 3. on another note . -our financial agreement ended months ago . seperate from the art partnership (which i was told yesterday to my amazement is still not funded) . i am obligated to complete ? the time i have dedicated since oct/ dec has been spent mainly as your friend. tom, brad though i am fully cognizant of my responsiblities. I will try to help find people. I am not good at human resources. howevr If I don;t think they are good enough for you. I will continue to say so , and you obviously decide. but I will reiterrate even in the face of your "nobody is good enough argument." keeping foremost in my mind that you and I have only beeen shown a very tiny handful of people. 4. I find the friction over fees , counterproductive. in an attempt to avoid it I had suggested a multi year deal early on. you rejected it. I then suggested, and urged you to have an option at a fixed fee , you also rejected that .you wanted the fee payment only at the end I argued but ,conceded. I suggested a structure that tom didn't like. you rejected it . 5 I suggest you make a fair proposal.- that i can either accept or reject. some payment up front this time is a requirement. I am willing to modify any outstanding obligations. - there are creative ways to assure you of your desired characterization of those payments. 6 you should open accts at Deutsh . and goldman. I am told that eilleen has set up over one hundred bank acccts for you???!!. few relevant 7 you should immediatly demand a list of all her acct authorites , exec poistions . director etc. bank authorizsations. etc. talk later or over the weekend if you like

Date: Tue, Jan 5, 2016 at 9:32 PM
Subject:
To: Jeffrey Epstein <jeevacation@gmail.com>

Mark was here this morning , the proposed transactions are extremely complex . and would take a great deal of detailed time. I do not know how, and if ,to move forward - our last transaction. a transaction which you saved 600 million in tax. even if 20 years away , (i hope longer) even discounted is a 300 million savings . for that you ignored our agreements , verbal written and emailed -and decided that it was only worth 8 million dollars. (assuming phaidon srichard happens. 24 m savings not including artspace and debt benefits certain to come later) FYI the phaidon transaction cannot happen as currently comtemplated IT will not work . NOT

When we had our meeting in your home in Bedford. You asked me for my help. I told you multiple times that i thought it was a very bad idea, in that I preferred to have no financial interactions. I dont have many friends and didnt want money in any way to interfere with our unique relationship. Reminder , For five years you had the kind but goofy Eileen Alexandersson as the sole manager of your accounting , legal, investments. reporting, trusts etc. When I first told you in no uncertain terms that I firmly believed she was incompetent you admonished me for " speaking out of both sides of my mouth " . With regard Brad Wechsler , there has never been a " both sides. ". I have consistantly maintained since day one that he was highly unsuited for the job. When you initially asked me to help convince him to take the role , promising him a position to manage mirage investments I sent you a note saying that instead of hiring him you should pay up and get first class people. I have reiterated the same message for over a year now. . Brad , not me ,was tasked with hiring new people , according to his org chart.(nauseating) and as you wanted him to take ownership of the staff,he conducted many interviews alone. . you may recall that as late as may, you told him in my presence that though six months had passed he had not hired anyone. since then I have rectified errors in sales tax, use tax, income tax, fbar reporting, 1031 reporting, 8 million of deductions missed errors of millions on the returns. ,(april) Oversight on new grats- first at 22 and then at 19 that were done without my consultation and needed to be resolved soley as a result of my last minute intervention. . 600 million in after tax savings was just accomplished. though you left the 30 million outstanding that I had said should only be done" if" that was my additional fee. not used for non biz purposes and not art.

in June and then again Sept, we both agreed to a 50% of phaidon payout first projected at 20 . but less when artspace and debt taken out, - then only after weeks, when you delayed any detailed discussion of money wanting to give the issue a thoughtful response (which I fully understand) . you unilaterally changed our agreement. . 5m would be reserved for the future ? . and out of the remaining 15m ,? i would receive only a third. (note : I'm confident that both the debt , and the art space investment will also lead to a write- off of another 30 m. plus) In my dining room ,you were surprised when I said that i require most people to pay their advisory fee up front so that I am assured that I will be properly compensated for my work when strategies are implemented . you may recall that you appeared offended and said " are you suggesting that i would go back on my word " I said no , of course not ! you are my closest of friends ,but my experience is that when amounts get large, people tend to get unhappy when it actually comes time for them to pay.

I include below the email i sent to you on April 15, the day i was examining your returns It laid out my understanding of the compensation agreed for a transaction of the magnitude to the penny of the one just completed.ie 600m When it appeared that the transcation would and could go foward I was the first to point out that our agreement would cost you too much money, therefore

From day one I proposed to discount our agreement to a 50 - 60 million range. An extremely fair price for all the transactions just completed . including Phaidon. - I was never told that this was out of range. in fact, alternative methods of payment . ie my plane, or an -in-kind payment were discussed (ie including keeping the 30m portion of the fee outstanding till March) ,I provided , only because you specifically requested a detailed step by step execution plan and reviewed all documents that i was given access to. (Phaidon was never forthcoming) in order to make my many corrections . (as i said more needed on phaidon) . I was then told that Alans involvement warranted a discount . Even in the best of light , though it is beyond question that not one time in the three years of his retainer has he ever proposed a unique idea. (including any way to deal with the use issue on debras death ,or even the most basic review of your largest asset by far , the BRH agreement.) O.K. - lets say he made a contribution to the plan and stretch reality beyond the pale and say it was 50 %. though no one could posit such a large amount unless they were wearing a clown suit. , the payment and our formula of 37 percent associated with the deal was known . It had both sent in writing and spoken about on the phone numerous times , a detailed execution plan was provided . then and only then, after the entire transaction was laid out for the group to follow You told me that after a number of conversations with brad karp that a total of only 20m would be paid , (and even that was more than you originally contemplated) for both transactions . Leon I feel It was remarkably unfair. Did brad even knew of our prior agreements.? ?, I would ask that you I and Brad karp sit together if you think it would be helpful. . I would like to send him this email, with your consent of course. If the transactions were never consummated , i would not be owed a dime, however , the expected fee was known up front. , the detailed step by step plan was followed and overseen by me, the amount that I had requested before the transaction had even begun, had already been heavily discounted, out of friendship, . I believe the decision re only paying 20 m has frankly , left me felling quite uneasy. and colors the view about the Athene or Rothschild transaction.

Date: Sun, Mar 20, 2016 at 11:17 PM
Subject:
To: Melanie Spinella <[redacted]>
glad to see you are personally on the mend - as well as the fence. -- As you know i dread money discussions with you-- however -we should address the issue of what you would like to do moving forward. re- do family office, accounting trusts , estate and apollo agreements . Along with your " payment " last year we agreed . no further obligations on each side. yes, i continued to moan. I realize that though I ve done quite a lot this year already , it is not your responsibility. . As you often like to

remind me- you've paid a great deal of money to date. that being said - If you want my involvement moving foward, I suggest you pay my regular l fee of 40 m . 20 now . 20 on completion or as per the invoice issues at the end of last year pay 30 all at once. -
To help out . im keenly aware of your current cash position. so I will consider an in-kind payment - real estate (Miami), ,art , financing of my new plane (allows you to spread over years or of course the preferred cash. Get rid of Castrucci,it is over a year since the same story of findign the right guy at the top. you entire accounting needs to be re done. , office downsized, reporting re done. meetings to recitify, categlorize , the various docs re appollo , rowen , suydam, alan etc. Brad can direct investment guys, (hopefully) my people will be in your office for a few months . reorganizing IF you decide not to pay I fully understand, as I m sure you will re my no longer spending any serious time on these things. Of course re any non financial issues , I am always there for you and will continue to be the best friend I can be .
Steve jobs said that everyday he woke up , and asked himself , if he knew he was going to die tomorow , would he do the same thing that he had planned for the day- he wanted to check that he was doing things that he really wanted to. after three days of getting back an answer of no, he would change what he was going to do. . he also did not believe in LONG term plans. I dont think either one of us will figure out what we want to do long term so my thinking is that we should try to have fun everyday, and welcome serendipity.
I think another trust and estate lawyer should be brought in to deal with the issues of how not to allow your family to get screwed by your partners on death . Alan, for years told me that paul weiss had drawn the docs so no issue but when recently pushed by my new fire drill he asked akin to draft .?! PLease ask brad about why he keeps talking about flow . I dont know what he means, its so silly . . this is only about money control and protection .
I am leaving monday night now. free to speak in the afternoon

Date: Tue, Apr 12, 2016 at 11:49 AM
Subject:
To: Melanie Spinella <[redacted]>
use tax questions. ? california question state returns? as you know wendy did not play a role here. . her involvment moving foward would help alot. . sign your gift tax return today if possible . I will be finished tomorw with this year. crazy on april 13th. !! . last minute to say the least. . brad told you the tra can be separated with approvals. which should be simple. . alan alwys just says no , . unless he is asked , well what if we amend what is there. . moving foward , i ask you to decide if you want me and my team involved or not. . I want to be weaned. I agree the past , apart from phaidon and artspace. this year of course is done. . for me to allow bad reporting to negaitvely impact you, by keeping joslin, would be irresponsible on my part. . letting him do harm, or stopping him and having to listen to his leaving is my fault. is awkward. . I will call at 3

Date: Tue, Feb 9, 2016 at 7:56 PM
Subject: Fwd:
To: Melanie Spinella <[redacted]m>

this was sent four months ago, nothing has changed
sent oct 15. before big transaction.
Office, - ada goes. , hire heather a paralegal . Joslin goes or is closely managed by new cfo with tax experience. . castrucii goes asap.as he merely adds to mess.(too many people , ex 7 people or more to

pay a bill) eva goes. outsource as much as possible. . bookkeeping systems built from scratch, airplane restructure, boat . same, new grats. phaidon sale , decide on artspace survivability, regan, . do the kids really want these? , children accounting ie bens house.etc. re do estate for new facts. redo loans, trading accounts activity, . gaming -foreign- disclosures. . BRH TRA re thinks . household and construction architects. . redone. art partnership , choice of paintings. . re do structure of consultants. tax re family office. . decide if investments are a realistic option in the next three years.. insurance. operations. airplane , etc. . art foundation , private . max charity contributions. financial reports. still waiting. ? on line banking, . tax planning, family office deductions (profit center) . airplane certificate, redone jet aviation redo. . paper gigi (E)trust to avoid gift tax. .

Date: Tue, Nov 15, 2016 at 6:13 AM
Subject: Fwd:
To: Melanie Spinella <[redacted]>
Leon, Congragulations on biting the bullet. at least 18 months late , but I m encouraged and glad for you. When you interviewed Brad two years ago you asked that i not tell him what a disaster lay before him. what would you like me to tell Barry? '

There is a HUGE amount of work to be done in the next 9 -12 months. mostly the exact same work that i outlined in my email of 2 years ago. now complicated by years of mess on top. (you can send it again if you like) . Brad wechsler was never up to the task . sorry, I realize I have been saying the very same thing for a long time. he was a not a step up from Eileen but a step sideways. in the beginning there was Eileen and Tom and Ralph Lerner. all your hand picks. then brad. john, Joe. . joslin was chosen from a pool of 2 people. each that would be limited by a salary of 250k. (yes i personally augmented his comp in order to get him) I did say hire both Lisa to do the bookkeeping and joslin tax,

He complained for over a year , re his direction by eileen and ada , and then brad. His breakdown was not a surprise after months and moths of warnings. Though disabled, he ran your office this year. with john and joe. He ran amok, and as i told you he rarely failed to remind me in our conversations that you told him that he works for you and not for me and that brad needs to pays him .

. Asking me who to hire , estate attny tax people etc. :

I have taken heat for years over the fact that i gave you no more than carlyns name, . no follow up questions no interactions , not even one single question asked of me re her work. (that was Eileen _) but somehow carlyns fuck up was my doing. . when i told you that i thought Eileen wasn't up to the task, you bellowed that i was talking out of both sides of my mouth. . You told me this year , that by trying to protect you from crazy joslin, I had in essence fired him and it was my responsibility to do his work. it then turns out that he didn't consider himself fired at all he just received less money. and continued to make a really dangerous mess. . Joshn castrucci, in your eyes , was also my doing , though email after email said , I take no responsibility for him,and iYOU SHOULD NOT HIRE HIM .!!! , , your response was that was my opinion was only because i didn't trust him. then to add insult to injury last jan you told me he was gone. however he too is still there, and a waste of money and space.

My time is complicated by Donald's potentially eviscerating any reason for anyone to use the foreign funds repatriation plan that i had put together. . however as you are aware I have some decisions to make re my time allocation in the next year or two. so at least for a few weeks I am unable to commit much time and make any future plans to guide you in the redoing of your procrastination produced mess.

That being said , the tasks at hand are the following.

You have a bomb of colored string that your retarded children have formed , It has to be very carefully unwound , even the substitution of Barry for your next trustee, needs a careful focus on procedure.s It would be much preferable if Wechsler was not his replacement. do you have any person you trust ??! . I

am concerned re brad taking barrys place re XXXX. In the beginning Barry will need to find and learn ACCURATE . org charts. books , balance sheets . trust valuations. are all a part. Barry will need 2 months to just get his arm around what is there , this is before any needed modifications.,
a way overdue re- fresh of your estate plan . . clats , trust. partnerships. grats. llcs. bank accounts , filing requirements. etc. the long awaited review of the brh tra and shareholders agreement to see how they fit into new plan. . " XXXXX" planning. art partnership engagement .. , airplane re-do. , buying another. . ? boat sale , Miami sale. . TRADING ACCOUNTS. . three years over due. . an accounting system. fire john .. joslin stays for a year. or so. so does tom and . except for heather everyone should be replaced with new. . Sell Artspace and shut down regan arts. . rationalize. cash flow reporting. cash mgmt. stock sales. sec irs. gaming. foreign reporting. the 8865 mess will take months to review now . . you CANNOT file unreviewed audited documents. . CANNOT!!! this will be very detailed work. . a self inflicted wound - all avoidable if professionals had been in place to limit . or contain it. . . you will need 3 new hires .a s there is no one in your office that is truly an A player. I have great hope in Barry as you know. He will need to be trained. note
; One year is my guesstimate After 4 years of telling you , that you could do better than Halperin, : im glad that you now are willing to follow barrys advice . I take no offense , in fact I take comfort in the fact that after only one conversation with Barry you are now convinced to make that change . will take a year or more.

I expect as a friend you will understand that
I will no longer , not even for one day , work on your affairs . without the compensation that is long overdue. . your unilateral idea of after care , not imposed on any other professional , except me, not paul weiss ,(caesars alone , a direct screw up on their part) tom, akin, , no one. needs to end. . you and I had previously agreed no more of that , and this after you decided not to pay me per our agreement. to be fair I can not say im surprised as you have email after email , stating that , if you save a great deal of money, you wont want to pay , so limit it to 40m per year. - water under the bridge
If I can find the time to work , on your project , which is not by any means certain as I have said , I hope you understand that it now will have to be under my standard terms and conditions. and well documented so as to avoid any more of the he said she said. I never want to have any more uncomfortable money moments with you , I find it very distasteful. . so to be clear , my terms are as follows . I will only work for the usual 40 million per year. It needs to be paid, 25 million upon signing an agreement . 5 million every 2 months thereafter for 6 months ie march may june . this can begin if i am able in January. I will immediately stop work , if the payment is not received. If you want me to work this year until Jan 15 , it will be 10 million. paid upfront. after one year you will be left with a new estate plan a running office. staffed with professionals overseen by Barry. (hallelujah) a tax plan . and an investment that returns more than any painting you could possible own. . no agreement - no work. however - I of course will talk to Barry for the hour that i promised , and take your guidance as to what I should say.

her the last two places. ?

To: Melanie Spinella <[redacted]
Leon please read the attached proposed response to the IRS , see if you can understand it !!!. Ive asked for a re-do. and given prelimiary directions to Alan to have it edited over the weekend
. If you are quarterbacking ,ok with me. just please let everyone know. you must deal with the outrageous incompetence in your family office .. Alans words " but I was told that.. , but I was told by the office (sic) that ... , BUT i was told by joslin,. , but I was told by . " why is leon blaming me for .." .

I ve have always given you my best advice, If you reflect on your financial life , you have been kept safe , had remarkable results and no disasters. I have repeatedly urged you to get rid of the people in your office. , you have repeatedly chosen to ignore my advice , you told me last week that the emotional reason was in order to be weaned off my group and not have to pay my high fees. (though ignoring the benefit of between 1.5 and 2b to the better.) . and no explosions. You have email after email ,where i remind you that I am not your bookkeeper or accountant (in brads corporate speak his" finance dept ??!!) that it should be redone .I have reviewed a multitude of the silly reports given to you and have pointed out the continued numerous inaccuracies . your question " so what if the numbers are off , so what if the categories are off. whats the big deal??. I suggest you de risk you finances and make the tough decisions necessary - pay the right amounts (high) to get the work done properly or , you are , Im afraid, certain to get an unhappy answer.. tom will be back from vacation. this week.

---------- Forwarded message ----------
From: **Halperin, Alan S** [redacted]>
Date: Thu, Apr 28, 2016 at 5:16 PM
Subject: Valuation Discount
To: "jeffrey E." <jeevacation@gmail.com>
I am attaching a draft response from Empire Valuation as to why it arrived at a valuation discount on the low end. Let's discuss the response and next steps. Thanks. Alan

Date: Tue, Feb 24, 2015 at 8:20 AM

Subject:
To: Melanie Spinella <[redacted]>

Leon,
Yesterday , I again spent hours upon hours of my time with your office. ,(speak to brad to get flavor) and you and i will discuss the results in gory gruesome detail on Friday. it mirrored many other weeks spent doing the things that I don;t have the time to do.

In order to keep things in perspective, maybe reviewing an analogy I have used before with you, might be helpful. You and your family are a 6 billion dollar corp. with an income between 250 -500 million dollars per year. It contains a few operating biz's , a large wide array of existing investments, in various categories , a desire to enter into others. A panoply of loans, notes. purchases, wide range of all types of taxes. , planes. boats homes. . trusts ,grats. a crazy number of bank accts. (with no oversight) . law firms, acct firms, 800 page tax returns, foreign firms. art consultants. construction consultants bill payers, home mgmt.,vast multitude of llc's , including foreign, and with all that you only have a combined overhead of less that 3 million dollars.

I have previously sent you the very same note that i have enclosed again below ,this time with highlights . I wrote it to you over a year ago. As my acute disability (selective memory) seems to have been raised as one of your concerns , as a rule I try to memorialize things in writing in an attempt to lay out issues that I fear may later turn out to be a problem. ie what i would and wouldn't do , - my responsibilities. etc and those things that are not. below you will find details of things that I thought needed to be done, so that you wouldn't find yourself in the very place where you currently find yourself. however ,you chose to defer many of my suggestions- see below -,until only weeks ago. ! you chose to defer the jpm acct. the art partnership on and on - into this year. and though the 60- 50

40 timber emails all carried with it a clear warning that you needed to do something re personnel if it were to stabilize,- you chose to wait.

ONE YEAR AGO
Feb 17 2014 i wrote :

With regard the more pressing issue I am uncertain of just how to proceed. I am torn, as my very strong inclination is not to be involved at all . It is extremely time consuming, delicate, fraught with many pitfall many that will make you very upset and a major pain in the ass. I wrote you months ago that the quality of the people involved need to be upgraded. (lucky for me these last issues arose way before the beginning of my involvement) I am also aware however of my overarching friendship obligations of ok, -given all the complexities who else can do it? problem.
Your family office needs a daddy. children with good intentions are running around , sniping , nitpicking with little direction. As a stopgap measure I am suggesting , we put in Larry Delson to take charge Everyone would report to him. Eileen included. He would however work for me. this is not, by a long shot my first choice as I prefer only being responsible and standing behind my own personal work (ie the word DONE will no longer be transmitted to reflect status stated by others)
With no commitment on my part whatsoever, to do it. So far as I have failed in my attempt in trying to think through the problem creatively . My organizations handling of the more complex issues I believe you might find very costly, very ! (however many structures available some risk sharing, maybe risk caps ,etc) but would require my teams doing the work , not yours. Ada should be only a trust, grat administrator. not sure what role you prefer for Eileen as you hired her initially to oversee investments. whether Rich your controller stays or not, is not urgent. having Tom report to a new person,- is. coordination with Suydam Kathy Gregory, I would suggest limiting to one person. The increasing public profile needs to be taken into consideration.

TODAY

With your acquiesence , Eileen did not report to Delson (he acting as a conduit directly to me) , she continued to provide bad info to both you (cash flows , stock accts, structures. sales Etc) and me. and each time with my many annoying calls to you made immediately afterwards that she was g.....y !! No one was hired to run YOUR office until two months ago , no one was even interviewed and even now , Brad, a very nice man, is not even full time,(crazy) Hours upon hours of time need to be spent training him . and his new staff. Eileen followed your instructions. not mine. in fact she continued to ignore mine saying " but Leon said " or " its on Leon's desk etc " , You would become frustrated when i pointed out each instance. of her obfuscation. originally you were given the clear choice, but to save money ,you chose not to hire my team . I was hired to do the architecture, you kept your own team. with Eileen at the head. instructions were given by me, , detailed but ignored by her. (except in the instances where I inserted myself and personally had to do the weeks of grunt work),ex. jpm morgan acct still not in use? That being said, If you do the cold calculation ,starting from where you were, to where you are currently . you have made a hell of a deal. -- negotiating down my original amount requested , calling upon our friendship and suggesting that the Carlyn mess was partially my fault. (though in that specific example , I had never been asked to do more than merely provide you the name of the most highly recognized atty in the field, not consulted,nor even asked again for my guidance along the way.). I accepted the discount as your friend. (by the way ,,suggesting now, that your Tom is now that last word on tax characterization, frankly is a bit much,-).

however - that is all in the past.

In order to move forward

I would ask that you realize that very unlike yours, My business is only comprised of my personal attention and my personal time . Time that I was forced to grossly overspend on your various issues last year. . As you are my very close friend I will not have you participate in a bidding process that I have decided i will have this year for my time . (hopefully a more fair way to allocate) I would also ask that you keep in mind that though our deal expired months ago. (also keeping in mind , that your understanding of the final payment terms neither reflected the emails or my memory, we finished it up your way.) I have answered every call Brad , joslin, Ada or you, have made . reviewed docs over and over/ until once again, I was forced to insert myself strongly as I thought it dangerous not to. I made serious dollar and time concessions last year.very serious I am wiling to continue to accommodate some of your concerns , but I am, under no circumstances , none, willing to spend my time for free. its not fair. After cleaning up Carlyn's mess , which was a few weeks and 30 million dollars . We were both highly aware of the dire circumstances in which you found yourself last year, and in fact due predominately to its seriousness. and those very circumstances I took extra care in our negotiations . (you had claimed I had you over a barrel , (a horrible position to be in with my very close friend.), unfortunately I fear that if you are not cautious ,in the near future, another barrel will appear of your own design)

I heard you when you said you believed i had already been paid for the work that is now required. The art partnership has fully answered all your concerns and discharged all my obligations and more so. . (FYI Carlyns art partnership that you referenced is similar in only its title.) You will also recall that you required that my payments be at the end of my work not at the beginning as everyone else's .(my work was never to include hours upon hours of training your staff). I eventually agreed, this of course should make clear that the 2014 tax year that will close Oct 2015 is not covered by our past agreement at all. I pointed this very fact out to you when I initially proposed a multi year agreement right out of the box. you said you preferred not. As you said ,I have produced results to date, far in excess of even my own exalted opinion of my projections. I have devoted a monumental amount of my limited amount of time-- way, way in excess of our agreement. I will be fair, I am willing to roll in the amount still outstanding from last year if that helps .. However, As my best student , and my only one, you are now capable of doing most, if not all, of the required work yourself. I can put my whiteboard away when you come to eat and just have fun, trade stories,. share moments ideas etc. . I am of course always available to guide you as a friend if you choose that route . always . It will take a great deal of your time , but you will not have to spend any more money on mine .

We are scheduled to meet fri at 430 , I leave at 5 am sat morning.

Date: Tue, Feb 24, 2015 at 8:20 AM
Subject:
To: Melanie Spinella <[redacted]>

Leon,

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We are scheduled to meet fri at 430 , I leave at 5 am sat morning.

Date: Mon, Apr 21, 2014 at 11:39 AM
Subject: trying to bridge the gap.

To: Melanie Spinella <[redacted]>
you were at 30 30/ me at 60 40. . / proposal 50 /25 and in additon I would be allowed to recommend 15 from directly from your own foundation. All payments to be made in addtion to currently owed. so $40 on april 25 , $30 june 15 ,and the already owed $10 as planned on oct 15. I would direct the 15 charity in the next 12 months, and the last 25 to be paid on conclusion.
leon

10 am - Arrival at White Plains / Westchester Airport
FBO and US customs is "Jet Systems Aviation"
Adress: 85 Tower Road Hanger E, White Plains, NY, 10604
Telephone - [redacted]

Date: Wed, Mar 25, 2015 at 11:52 PM
Subject: previously sent
To: Melanie Spinella <[redacted]>
I heard you when you said you believed i had already been paid for the work that is now required. The art partnership has fully answered all your concerns and discharged all my obligations and more so. . (FYI Carlyns art partnership that you referenced is similar in only its title.) You will also recall that you required that my payments be at the end of my work not at the beginning as everyone else's .(my work was never to include hours upon hours of training your staff). I eventually agreed, this of course should make clear that the 2014 tax year that will close Oct 2015 is not covered by our past agreement at all. I pointed this very fact out to you when I initially proposed a multi year agreement right out of the box. you said you preferred not. As you said ,I have produced results to date, far in excess of even my own exalted opinion of my projections. I have devoted a monumental amount of my limited amount of time-- way, way in excess of our agreement. I will be fair, I am willing to roll in the amount still outstanding from last year if that helps .. However, As my best student , and my only one, you are now capable of doing most, if not all, of the required work yourself. I can put my whiteboard away when you come to eat and just have fun, trade stories,. share moments ideas etc. . I am of course always available to guide you as a friend if you choose that route . always . It will take a great deal of your time , but you will not have to spend any more money on mine . We are scheduled to meet fri at 430 , I leave at 5 am sat morning.So there are no surprises 50m for the year. . or 30m for until 7/ 15. you can roll the balance for last year as a concession. half up front. no more all at the end. ive spoken to brad every day. more questions than answers. joslyn cannot be left unsupervised. his answers are knee jerk . eillenn told me this , that the other

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Date: Thu, Mar 26, 2015 at 12:07 AM
Subject:
To: Melanie Spinella [redacted]>

you need to build an entire office from scratch. no question that was never my obigation, - systems , personel. finance tax, bookeeping, ,office. complinace. investment. monitoring, banking loans coming due , review. gs jpm gs, . . plane boat houses construction , new will, . phaidon sale. you are no further

ahead today than my nov memo layed out = no real candidates. etc .. Ill redo the art partnership under new restrictions of course at no charge, and review the work done by tom/ joslin.
joslin you and I should sit. you won't like it. AT ALL> he is afraid of telling you the story, as he belives brad is your guy and does not want to get fired. ada still refusing to share income tax opinions based on privilege , not under control at all. ? ? joslin said that murphy is not the cfo, as you told me but the coo. and the cfo is the same guy that reported to andrew, mistakes after mistakes not picked up by murphy who joslin described as a kind buffoon . he suggested a new ceo or coo who can make decisions. someone with some financail experience. he asked for a chief decision maker. 50 for year roll in money owed . 30 till july , most up front needed

Date: Tue, Mar 31, 2015 at 3:25 PM
Subject:
To: Melanie Spinella <[redacted]>

Nov of 13 : I told you tom Eileen and Ralph were not up to the job, you disagreed very vocally and strongly , " Ralph wrote the book, Tom has been doing it for 15 years and Eileen ran the trading desk at Morgan Stanley. " Ada who had been working on all your documents for years while at the bank had been brought in- house but created more issues that didn't exist. and phaidon was its own animal
.
Dec 13. you were again annoyed that i said that they needed to be replaced and said "i was talking out of both sides of my mouth." first time (email available)
_
Jan 14, you decided that no third year was necessary for my help. and i told you i thought that unwise and even suggested giving you an option at 40 m so there would be no tension

Mar 14, I told you that to do the job right , my team would need to do it. not yours it would not be inexpensive, but it would get done properly, you chose not to do itand said lets wait and see

April 14. We agreed to clean up various past mess.with the end of my work OCT 15th only then would i get paid.. urged JPM (first of 14 reminders)
GS and db accounts to be set up in order to bring your financial structure into the 21 century

July 26 , I came to bens party, said new people needed to be hired, keep Eileen till end of year, and Ada till march, you suggested getting ada out earlier

oct structured the art partnership , but you wanted to wait until you fully understood ramifications formed the doc in dec to have it in 14,

nov/ dec 14 I told you I considered my work complete separate from art partnership. gave list of things to do.
three months of you and your high school friend , trying to build a house with little of the relenavt experience. its silly . still no accurate numbers accounting , charts, etc
jan 15, I told you joslin cannot hire people, has not so for more than 5 years, former job in a public accounting firm.
april 15 . no senior accountant even in the wings. joslin talking about reaching out to hire the only person he knew(worked in the past with dagazsitno) and i interviewed 15 months ago. and rejected.

low level . He does not want to hire himself out of a job, spoke to brad last night he wants a coo so that he does not feel demoted

your choice!, (brad maybe does have insight - to your credit, might have been right when he said- jeffrey you should realize this is only about leon not wanting to pay more money , (i ignored his summary , along with his comments on the risk of fracturing
summary
I can either do it for you or not. if i do it it means finding hiring organizeing, structuring reviewing re negotiating, bring in my team under my control not brads. . stop -gap accounting - my people getting the books software and procedure in shape. setting up the various brokerage and bank accounts and rationalizing them, organizing Melanie, TPS , house, and all the intra family notes outstanding, overseeing the phaidon mess.maybe sale re do some of estate given the new circumstances. etc. I 've responded to every brad question , given him first lessons , not a good use of my time or his. he should administrate, follow up, have signing authority instead of eileen, (AFTER rationalized accounts). holding a position of trust. ONLY

talk whenever you like, NO STRESS , Mort had a skiing accident and sultan not fully comp es mentes. no stress please for either of us . both of our reserves which are not insubstantial , can use a break

Date: Tue, Apr 7, 2015 at 4:29 PM
Subject:
To: Melanie Spinella <[redacted]>
agenda for tomorrow.
1 building an office from scratch. who does it. ? so far little or no progress in real terms. . brad should remain and can administrate. follow up methodically, . has no idea of corrrect questions to ask. or understanding of family office issues. procedures checlks and balances. etc .. consultants , diana goldner foundtaion woman?. office . focus .
2. without strong , very stroung direction, joslin will not make it. does not know where to focus. who to respond to. and how. unfortunately now getting more and more answers like the powers that be , want it that way.??
3. the priority list is still virtually the same , since dec. . accounting system. redone from scratch. etc.
4 . it will take 9 months. at a minimum now. . an outsider brought in when everything is clean , including phaidon, notes. eileen. banks, jpm db, bam, etc.
5 disposition, of Phaidon. art space regan etc.(ressler??) . sale of boat. plane . art , stock, investments, athene? etc, tra, brh.
6 . new IT . complex. household . payroll insurance . recurring bills.
7 estate modification given new circunstances and altered probablities. (use etc)
8 charity, new trusts,!!d IPI< harvard . fees,
I spoke to brad and made him aware of all my concerns and propsals to move forward. he is desperate for help

Date: Tue, Apr 14, 2015 at 11:53 PM
Subject:
To: Melanie Spinella <[redacted]>
saved you 500k at the last minute, . brad has had the same chart since march 16th, its his job to review NOT MINE .appears he is one of those living in the dark leiwe. I found 8 million dollars today, missed deductions. . not yet in the numbers, .?

Date: Tue, Apr 21, 2015 at 1:10 PM
Subject:
To: Melanie Spinella <[redacted]>
emblematic of my frustration and ,in the end what I believe is a waste of our time energy money and resources. is the very simple question of bidco bank accounts. 4 months ago I asked the question , does it have a bank account and if so , who has authority, where is it located and what transacations ran through it. it is only one question out of hundreds that need to be answered. hundreds. . you asked that i not behave like Zeus and try to explain why I want need certain things. since i said to placate Brad's inquisitive ness and his desire to learn I said a filing might be required. instead of merely getting me the answer. he has talked to joslin paul weiss , you , you wanted to ask brad karp. (maybe a filing that reopened things,)
none of this as a practical matter has any influence upon the ultimate action taken . I merely needed to know a simple answer. and today after asking at least every week since then do not have an answer . I have been trying not to add stress to your day. i try to explain things and take the time to do so gently, (not my forte . this is one question out of hundreds. the fact that a 21 year old was in the office only xeroxing for a month, was obvious to everyone in the office. having a 26 year old xeroxing instead doesnt move us forward, answers first. copying old files. can wait.

Date: Wed, Apr 22, 2015 at 1:56 PM
Subject: another flowery email.
To: Melanie Spinella <[redacted]>
I am sorry. I realize you are under tremendous stress, In Bedford you asked me for my help I could not have been more clear that thought it very unwise as in my words I did not want any financial arrangment between us, it risked conflict and tension what neither of us needed more of. and did not want to risk torturing our friendship into the likes of the kind you have with Mark nor Josh, : now,- I dont have anyone but you yelling at me , in my own house. no one. it is highly unpleasant but I am trying my best to be understanding . sorry . From the outset and as you told me you recall. i tsuggested that three years should be the period of engagment. as planning is not a one year excericse . you declined to commit to a number of alternatives presented to you for payment of the third year. I told you in nov that you should decide whether to now sign on for that very third year as the vast majority of my work ended on oct 15. you recently told me you thought i was kidding. .you hired brad patting him on the back that after months of inquiry he can now, finallly tell you which llc owns the cars??
once he has all the facts what next ??. whether or not you refer to a portion of the third year as after care, or whatever term besides 'scoundrel you choose to use, I m not sure why you assume now it should be free.(I HATE THIS CONVERSATION < HATE ,) and i heard you when you said you told me what was l work still to be done you thought valuable enough to pay for. please tell me . and then we can decide the next steps ,,, if any. I consider my work rarefied art. I guess the value is in the eye of the beholder . IT reminds me of those people looking at a modern art piece and saying " my child could do that " . hope you are feeling better.

Date: Fri, May 1, 2015 at 12:50 AM
Subject:
To: Melanie Spinella <[redacted]>
ada and brad are respondbile for the loan ,. docs, at a minimum , leon he hasn't read the financial statements SINCE DEC. !!. impossible ,had he done so the silly numbers jump off the page . (sent in another email). it is a financial office., 190 million sitting unused in CASH , budget and planning person

for what , its not a publice co. ? townhouse construciton , household operations, boat, plane, taxes, we went through this with the cash flow. you and i know approx how much each will cost. its a week job not a fulll time one- ada has no lien copies. none. ?! impossible not to know , ask, quesiton? two senior accountants CPA s. not the 75k girl that they hired, . IT professional backed by a firm. high quality,can we tap apollo resources? new lawyer , heather level . new receptionist, and bookeeper. get rid of ava. next could be new office ,new furniture , , the whole place reeks of cheap. IT IS MAY< I have not been asked to interview one person to date. not one. having cpas in there tomrrow woudl go a long way. i dont understand the time line, coo first. ? in by july?? cpas in by sept . tax return due oct 15. ?

Date: Fri, May 1, 2015 at 2:36 PM
Subject:
To: Melanie Spinella <[redacted]>
I know that both you and I heard brads'. im out of here if i dont get a coo. . sorry,. i know that neither of us have stood in the way of his finding/ gettting one.. JPM account DB account GS account, ??? its MAY 1. nothing in the first quarter and these are only papers that need signing.
I suggest your thinking on my role and compensation for my work might benefit , from a mental shift - think mark and josh, without the mutual resentment (HAHA) only in terms of sharing ,thanks, I am and have been your financial partner i.. rectifying circumstances that appear in hind sight unexplainable. I wish you woudl have asked me earllier to review your things , but i understand. I do know that soley as a result of my actions your personal bottom line has increased dramatically, if you had thought of me as your partner in this endeavor , instead of an employee, i think your reaction to sharing t benefits would be different.
If you recall, you wanted me to be paid , unlike others at the END of my work. we discussed this ad nauseum, and agreed OCT 15, last year was the end . You had wanted more comfort initially on the art partnership so that date was delayed. It has now been six monhts since then, your concept of aftercare . . for free. was already unique , in your words this has to have an end.(weaned) if the actions of josh and mark led to one hundred million dollars , what would be their share. Im not sure why it is different in your mind. but i respect the fact that it is, Is it because their work seems harder. it cannot be simply because they devote more time to you .or it appears to involve more effort. I am happy to continue to play a partnership role. as I have been in many areas of your life. . I am also happy to move on and have no more of these emails. I find them as tedious as you do . if you prefer a partnership structure , ok with me, I tried to minimize the amount of money i would recieve by making it a flat fee . as i wanted you to feel good and have no second thoguths somehow if the payment comes from a partnership structure you seem relaxed as opposed to writing a check, I focus on trust and friendship first, and the fact that you don't include josh and mark in that category, gives me great pause . I proposed 33 percent of money made for you. . in the past you agreed that amount. it will be huge, but ok with me, I can talk today at 945 as you suggested. or if you woudl rather over the weekend ok

Date: Fri, May 1, 2015 at 7:08 PM
Subject: Fwd: Picasso agreement - question
To: Melanie Spinella <[redacted]>
silly

Date: Fri, May 1, 2015 at 12:27 PM
Subject: Picasso agreement - question
To: Brad Wechsler <[redacted]>, "Jeffrey Epstein (jeevacation@gmail.com)" <jeevacation@gmail.com>

[redacted]

Brad and Jeffrey,

Gagosian has one final change to the Picasso agreement. As you know, we have structured this agreement with the Buyer as either Narrows Holdings LLC or AP Narrows LP, and given both of those entities the right to assign the agreement to any one among Leon, Debra, the kids, or family trusts including APO1 and APO2.

Gagosian wants us to agree that, if Narrows/AP Narrows assigns the agreement to someone else, Narrows/AP Narrows "shall not be discharged from its liabilities under this Agreement and shall remain primarily liable to Seller." Larry is concerned that we might assign to the Black kids or to a trust that has no assets, and then when he has to sue us because we don't make the final payment of the purchase price but have possession of the art, the entity/person to which we have assigned the agreement has no money.

I think this is a valid concern and that we should agree to it.

However, Ada just reminded me that it is possible that Narrows/AP Narrows (really, Leon's) agreeing to effectively guarantee payment by the assignee might be considered a gift to the assignee. In the discussions with Alan about rearranging the bank loan once AP Narrows is operational, Alan agreed that there could be deemed to be a potential gift from Leon to APO1/APO2 if Leon provides a guarantee to the bank that is for the benefit of the trusts as partners in AP Narrows. Alan suggested mitigating this risk by having the trusts sign side agreements with Leon which say that if AP Narrows defaults on the loan and the bank goes after Leon on his guarantee, the trusts will make him whole.

This issue only arises if we assign the agreement. The risk is also limited in time because it would run from the moment we assigned the agreement until the final payment is made, which even if we assigned immediately after signing, would only be 11 1/2 months.

Shall I agree to Gagosian's request that Narrows/AP Narrows remain liable even if they assign the agreement?

I'm in the office if you would like to discuss this, but I would love to get back to Gagosian ASAP so we can have this agreement signed today.

Thanks,

Heather

Date: Mon, May 11, 2015 at 3:08 PM
Subject:
To: Brad Wechsler <[redacted]>, Melanie Spinella <[redacted]>, Ada Clapp <[redacted]>, Richard Joslin [redacted]>

lets look at funding the art partnership begin with 100 m of unencumbered art. plus 20 inveestment. and the same amoiunt of value from trust. leon should choose b trustee and begin to use mechanics. . later we can amend and add .

2 hire an IT person asap
3.I would hire jerry the woman. gittis. person
4 .I will find a subpart k person to handle partnership acct
5 , accounting software upgrade, onlilne banking needs to be seamless
6. not sure status of bringing plane boat acct inhouse?
7 prepare fbar report for june. draft next week
8 pahidon actuals vs projections. . new valuation
9 . new valuation of tra contract?
jpm db goldman sachs acct? new llc?
review of dec 31 books for all entities? bfp . etc

Date: Wed, May 13, 2015 at 3:04 PM
Subject: Fwd: jobs ahead
To: Melanie Spinella <[redacted]>
the list that we discussed.. i spent time with brad again. re the candidates . fiiling due, this week, next month, .

Date: Sun, Dec 28, 2014 at 5:18 AM
Subject: jobs ahead
To: Brad Wechsler <[redacted]>, Melanie Spinella <[redacted]>, Ada Clapp <[redacted]>

1. review accounting system. Book keeping softaware. staff, (senior accountant) methods on line banking, brokerage. cash mgmt. airplane reimbursement. boat sale. art purchases sales use and sales tax. tax filings FBAR FATCA, gaming commsion, pfics, insurance . uk co law.
2. review docs for TRA BRH grats, trusts, heritage will, insurance, art lending. medical, springing powers. two fire drill books. one needed for injury. other for death
3 review bills . boats , planes, legal, (PW, McFarlands all outside. legal and accounting. Toms bills over 400k . house projects. south ny ben
4 cashflow projections tax projections , interaction with Apollo accounting tax, Phaidon ,art space ,and Regan. legal accounting. audit
5. children meetings , review to date and allocations
6 review all role in payables. files scanned, no paper
7 review invesmtents for tax basis and unrecognized gain
8 schedule of all hedge funds . redeemables commitments etc.
9 charities pledges strucutre, staff ,

Date: Mon, May 18, 2015 at 2:17 PM
Subject: agenda for tomorrrow
To: Jeffrey Epstein <jeevacation@gmail.com>, Melanie Spinella <[redacted]>
as a reflection on your voiced spirited concerns in the what have you done for me lately category ?))::
. in the beginning . there was eileen and tom. (eve and adam,-- however it appears, she declined to eat the apple from the knowledge tree)
. that was it. ada was at the bank but reviewing docs. carlyn was in the kitchen making mush (abel and cain)

books as they were mystersiously called was being kept soley by eileen, with little or no input ,correction or advice from tom. herarely if ever asked questions. expenses ie airplane was done in house apollo. (1031 exchange blown etc) at this time
as I recall you got quite annoyed, and agressive and initiated the" talking out of the both sides of your mouth " tiddy, when i suggested that the level of their competence left much to be desired. (ralph lerner's came later) .response - eileen ran the desk, tom is a partner, ralph wrote the book etc
re tax there was almost no oversight of income, estate, gift ,sales and use, transfer excise etc . IRS SEC GAMING NYS. real estate, valuations (many)tax filings- disclosures, etc. re grats trusts defect trusts, llcs corps , trustees , partnerships. foreign corps. 100 bank accounts. gift taxes, , loans, notes. payables. expenses. . , insurance.(life , art, split dollar), cashflows, operating biz, , investments, contingent liabilitiites.(funds , miami) , commitments dividends, BRH TRA, shareholder agreements, bank loan agreements. wills, construction, , contracts planning permits etc..employ rules. checking account reconciliations, crediti cards. jewelry , cost basis ,(art stock etc.) foundations regs , brokerage accts, old stock certificates. stock options,(environmental solutions still not done !). estate tax calcualtion firedrill, (note ,basis etc) low basis , step ups , however with no accounting system, no reveiw of boat expenses plane expenses etc. . many outside counsel with litle or no coordination.
Paul Weisss , Mcdermit Will, Macfarlanes. Price Waterhouse , Reich, withers bergman, Empire, , akin gump, bbd seidman, Wendy , Apollo in house .
lumber, knowledge universe, ennvironmental, solutions 12 mii in stock, . on and on
the priority list that you asked me to prepare for brad and you in dec , unfortunatlleyso far , little change ie no accounting system that ties, no, brokerage accounts though strongly suggested , jpm db, gs, april of 2014 . IT antiquated
dagastino hired , no inut from me, julie, temps, paralegals miriam . etc.

still need new accounting system - on line banking . staff hires. (seprate from samantha two years out of school). audit system, . ?? john murphy? joslin? dag? eva? . i strongly suggest workers at the highest level of competence. two senior accountants. not managers workers who will get into the weeds. partn expertise, , replace ava, get heather help. a new person legal , new IT,system and person, way way overdue, new receptionist, bill opener, ability to oeversee
in house, boat plane review household (12million) review, filings- partnerhip accounting,- familitarity with grats, trusts etc . audit system put in place. that should be the easy part. then strategy to deal with :
As new facts on the ground develop , phaidon debra, children meeetings, ? stock sale sale of art, , apt(large gain), 1031 trade in , plane depreciation, boat sale. construction , brad will oversee brokerage and investment, ?? pe. real es, . publishing, grats, tra, brh (death). foundation , museum, tax proejctions cash flow projections, cooridnation with tax from apollo. etc

Date: Fri, May 29, 2015 at 2:53 AM
Subject: ulysses 2.0
To: Melanie Spinella <[redacted]>
I realize it is only due to a lack of understanind of the job ahead. and not out of any sense of unwillingess to pay
- as opposed to merely hiring people to set up a family office, someone will have to do the following- separate from the art partnership which is my responsiblity . there still needs to be a huge amount of work done for 2015,16. not to mention that brad at the moment is going to have train the incoming team?? your call
strategic decisions re estate and other planning , sale of phaidon etc. . in addition setting up for the accounting for each strategy ie.:

income, estate, gift ,sales and use, transfer excise picasso, 1031 calder. . review and detailed oversite of IRS SEC GAMING NYS. real estate, entity valuations (many) tax filings- disclosures, follow up of grats, trusts ,defective trusts, llcs corps , trustees , partnerships. foreign corps. 100 bank account need to be rationalized, not only having brad step in to children investments . gift taxes, trust , loans, notes. payables. expenses allocations . . , insurance.(life , art, split dollar), cashflows, operating biz, , investments, contingent liabilitiites.(funds , miami) , commitments funds and charities , dividend treatment -important review of transcations relating to BRH (amendments) TRA sale (nuanced) , shareholder agreements, bank loan agreements new bank relationships. . wills, construction accounting and oversite , contracts planning permits etc..employee rules, regs, . checking account reconciliations, crediti cards. jewelry , cost basis ,(art stock etc.) foundations regs , brokerage accts, . stock options,(ie environmental solutions still not done !). estate tax calcualtion firedrill, (note ,basis etc) review of boat expenses plane expenses, depreciation issues refunds etc. . rationalize all outside counsels and accounting firms
Paul Weisss , Mcdermit Will, Macfarlanes. Price Waterhouse , Reich, withers bergman, Empire, , akin gump, bbd seidman, , Apollo in house counsel.
set up and oversee brokerage accounts at JPM DB GS and thoughfullly trade
. new IT system from top to bottom full time IT person
new accounting system - on- line banking cooridnated with reports . fire drills as per caruci (he sounds good) and . audit system,s . review of john murphy? joslin? dag? eva? .
in house, review household (12million) review, filings- partnerhip accounting,- familitarity with grats, trusts etc . audit system put in place. that should be the easy part. then strategy re:
As new facts on the ground develop , phaidon debra, children meeetings, involvment , trustees adjusted, stock sale sale of art, , apt(large gain), 1031 trade in , plane depreciation, boat sale. construction , brad will oversee brokerage and investment, ?? pe?. real estate?, . publishing, grats, tra, brh (death). foundation , museum, tax proejctions cash flow projections, cooridnation with tax from apollo. etc
you are sitting on over 100 m of cash???!!

Subject: Re: we're calling the sales tax guy at 6:30 pm - I'll come to your office
To: Richard Joslin <[redacted], Brad Wechsler <[redacted]>, Heather Gray <[redacted]>
sorry but this is emblematic of the silliness that appears to continue. ..... 1. How can we ask for a legal opinion when it is crystal clear that we don't yet have accurate facts or numbers , f. 2 Invoices have not been reviewed! corporate structure is convoluted and unexplored in detail. (was the boat captain on the call?) 3 Paul weiss is the attny , and should be charged with getting us info. . 4. Bringing in yet another outside lawyer without full vetting and consideration, a waste of time energy and money. . 5. ex. what is the location of charters shown on the invoice? do you know. . ? if th invoices are incorrect, does that give us any comfort in trying to defend an audit. . I saw three invoices only, and each had a different owner or address . .

Date: Mon, May 18, 2015 at 8:17 AM
Subject: agenda for tomorrrow
To: Jeffrey Epstein <jeevacation@gmail.com>, Melanie Spinella <[redacted]>
as a reflection on your voiced spirited concerns in the what have you done for me lately category ?)):: . in the beginning . there was eileen and tom. (eve and adam,-- however it appears, she declined to eat the apple from the knowledge tree)

. that was it. ada was at the bank but reviewing docs. carlyn was in the kitchen making mush (abel and cain)
books as they were mystersiously called was being kept soley by eileen, with little or no input ,correction or advice from tom. herarely if ever asked questions. expenses ie airplane was done in house apollo. (1031 exchange blown etc) at this time
as I recall you got quite annoyed, and agressive and initiated the" talking out of the both sides of your mouth " tiddy, when i suggested that the level of their competence left much to be desired. (ralph lerner's came later) .response - eileen ran the desk, tom is a partner, ralph wrote the book etc
re tax there was almost no oversight of income, estate, gift ,sales and use, transfer excise etc . IRS SEC GAMING NYS. real estate, valuations (many)tax filings- disclosures, etc. re grats trusts defect trusts, llcs corps , trustees , partnerships. foreign corps. 100 bank accounts. gift taxes, , loans, notes. payables. expenses. . , insurance.(life , art, split dollar), cashflows, operating biz, , investments, contingent liabilitiites.(funds , miami) , commitments dividends, BRH TRA, shareholder agreements, bank loan agreements. wills, construction, , contracts planning permits etc..employ rules. checking account reconciliations, crediti cards. jewelry , cost basis ,(art stock etc.) foundations regs , brokerage accts, old stock certificates. stock options,(environmental solutions still not done !). estate tax calcualtion firedrill, (note ,basis etc) low basis , step ups , however with no accounting system, no reveiw of boat expenses plane expenses etc. . many outside counsel with litle or no coordination.
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lumber, knowledge universe, ennvironmental, solutions 12 mii in stock, . on and on
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in house, boat plane review household (12million) review, filings- partnerhip accounting,- familitarity with grats, trusts etc . audit system put in place. that should be the easy part. then strategy to deal with :
As new facts on the ground develop , phaidon debra, children meeetings, ? stock sale sale of art, , apt(large gain), 1031 trade in , plane depreciation, boat sale. construction , brad will oversee brokerage and investment, ?? pe. real es, . publishing, grats, tra, brh (death). foundation , museum, tax proejctions cash flow projections, cooridnation with tax from apollo. etc

Date: Tue, Jun 30, 2015 at 12:23 PM
Subject:
To: Melanie Spinella [redacted]
1.I believe I have heard you , but i wanted to make certain that I have understood
Though after much discussion ,- much! you were adamant that i receive my fee only at the very END of my work, oct 15 , this was a long discussion but you felt very strongly at the time . you now feel that as it was a very large sum of money . some of my time this year should be spent on your recent concept of "after care ". - and that after care should be for free . I have continued to pay others as well.
I have asked and you have previously said you would lay out for me what you thought was encompassed by the concept. that was end of january Training brad?? who was your choice . not mine ,by a long shot. only brought on in january? ? hundreds of hours spent . eileen debrief? 2. boat. plane household

ex[penses. personal review? , trying to create accurate ledgers of capital expenses . so to minimize future gain.? 3. phaidon - review from head to toe? though we agreed many times in the past this was not my responsbility, 4. overseeing the opening of trading accts. proposed and sent over first docs in april of 14. .5. art partnership.? we agreed though the draft was sent in sept14 . and still not done though little different from first draft. . 6 picasso contract? 7 art sale 1031 8 airplane review? 9. IT system implementation. ? tra brh sec gaming comm, foerign filing , tax, disclosure. fondation returns. ? planning for 16? not sure . 10. insurane review with josh? stock sale prep. ? filing ?
I am available by phone. you mentioned my travel schedule ----last yea,r I canceled three European trips and two to seatle , none to my benefit.
I have been consistant , I dont have any new proposal , do you ? though i am" complicated" , I have no intention of trying to convince you of value, its silly ,
OOOOOOOOOOOOOOOOOO i think if I have correctly deciphered your sophisticated code - should represent -drool

Date: Tue, Mar 3, 2015 at 5:18 AM
Subject: Fwd:
To: Melanie Spinella <[redacted]>
lets set a time to speak today if possible . 30 minutes or so. my schedule is tight

From: **jeffrey E.** <jeevacation@gmail.com>
Date: Mon, Sep 21, 2015 at 6:36 PM
Subject: agenda for today 5 pm?
To: Melanie Spinella <[redacted]>, Brad S Karp <[redacted]>
1. put someone on asap to ascertain if she is still in london. 2. set up conference will uk criminal and uk counsel. a give them more facts. 3. choose method of message delivery. my choice. - two highly respected former ---- fill in the blank, immigration, scotland yard. sfo. . who may knock on her door and present the terms. 4 if not. an alternative method. 5. Is it possible to find out if she has gone to authorities? tabloid lawyer. 6. have the same types of individuals availble in new york if she decides to return as stated. . i prefer former fbi, or immigration one man one woman. . 7 from opening a DA investigation to arrest. how long? 8 , can we open a file in either jurisdiction, and maintain confidentiality.

Date: Mon, Sep 21, 2015 at 6:48 PM
Subject: Re: agenda for today 5 pm?
To: Melanie Spinella <[redacted]>
Cc: Brad S Karp <[redacted]>
I think that Melanie should set up a separate email account for this correspondence. she currently is on an apollo server.
There is not even a good solution . all have substantial risks. we are dealing with a wholly unpredictable and bad minded person. I and Brad can only make suggestions/actions each less than stellar. - that being said we should do our best to have all the facts . options etc. and to distinguish fact from opionion As the consequences of any decision is likely to have some very bad parts , Leon needs to be cognizant of as much as the downside as we can adequately foresee.

Date: Wed, Sep 23, 2015 at 12:07 AM
Subject: Fwd:
To: Melanie Spinella <[redacted]>
jan 2 of this year
Date: Fri, Jan 2, 2015 at 2:55 PM

Subject:
To: Melanie Spinella <[redacted]>
Leon, I decided last week that there was little or no upside in disturbing your well earned holiday especiaily as you seemed so peaceful happy and smiley ,getting yourself in shape and truly enjoying your family time. etc. however the situation in your family office is unresolved. I am aware that brad starts monday howver, two last days of the year madness. timber.deal not complete no jpm,acct activity no partnership docs , old stock sales not complete , no bank doc redo. no phaidon note restructure, ., no boat expense review. airplane same ,topco midco.etc still not finished (trustee) , projections mixed with fiction. , legal exp out of control. no care for admin, silly (audit). tom conversation with joslin. notes. debra, trustee notes. trustees hiring . bens audit. interest payable made hoopjumping last day of year. after weeks and months. of lectures , gifts to discuss- staff. -houseproject mgmt. . I will continue to try , I had offered ajoint call with eileen before you left. as i said before , joslin takes instructions from eileen. he said it was made clear to him that he doesn't work for me but works for you. . I tried.

Date: Tue, Sep 29, 2015 at 8:39 PM
Subject:
To: Melanie Spinella <[redacted]>
jeffrey
Brad Wechsler is asking if you could meet for a half hour with him and Rich Joslin to discuss Use Tax Refund. Below are available dates/times...below that is your schedule. OK for me to schedule in?:
NO sorry not until i hear from leon
leon. to be fair, I had sent the first note to you one year ago . stating that my work would come to an end on oct 15. that day had meaning as everything would be closed. you asked that i continue to help brad. as of nov though he would officially start in jan. I said ok, but ..... " you told me to continue as we would work something out" I told you my fee then was 40 . feb you came with ben while kathy ruemmler was here. and said next week, debra got bad news. and I quickly prioritzed not adding stress to your situation. I wont regurgitate the interim, though millions of dollars were saved since. millions. . it is now one year later and you propose 10 mlllion , plus a contingent fee . I have said that i would work with you , and if contingent and a percentage of something. I strongly believe that is not in your interest. I continue to put our friendship first and dont want you to write a check for over 100million andthe i will have to listen to lewie for the next few years. but if you prefer over my objection a percentage deal then it should be of all savings not just phaidon. (a random concept) . The idea that i am somehow even marginally responsible for neither you nor heather , ever telling me that there was an unresolved issue, though you said you had been pinged a number of times is emblematic .
I can do a call with you and Karp. anytime you like today, but i can assure you 100 percent that there is no light between our positions. ZERO. and he is ready to do his best to try to explain it to you.

Date: Thu, Oct 1, 2015 at 11:03 PM
Subject: Fwd:
To: Melanie Spinella <[redacted]
to refresh your recollection, as 4 states. 40 a year for three years. as i said today. . the other was in addtion as you recall.
Date: Thu, Apr 11, 2013 at 4:02 PM
Subject:
To: Melanie Spinella <[redacted]>
1. 80 percent of contracted job is accomplished, now drafting ,signing and few critical decisions on your part still await , will fill in nec blanks, 1, how much of upside to kids. , 2, protections . 3 allocations. 4. charitiable, inventory, securities,

2 .to engage the second phase if you so choose , and considering there is only 8 more to be paid this year in oct , for the job now almost completed, total of 23. that was agreed only for history fix.
3. with the necessary proprietary protections , proposal is for first year only an additional 17 . making it 40 , but full year balance on signing , ie 25. takes care of 2013
4 , moving forward , 40 per year ,(approx 1 percent) for three years, to be credited against an agreed formula. Im open to suggestions total approx 120 for new workover 3 years , benefits to you over the next 20.
5 , can consider interests other than cash as payment. ?
6. need to speak re , bankers, valuations, mechanics and their continued importance.

Date: Fri, Oct 16, 2015 at 4:38 AM
Subject:
To: Melanie Spinella <[redacted]>
Office, - ada goes. , hire heather a paralegal . Joslin goes or is closely managed by new cfo with tax experience. . castrucii goes asap.as he merely adds to mess.(too many people , ex 7 people or more to pay a bill) eva goes. outsource as much as possible. . bookkeeping systems built from scratch, airplane restructure, boat . same, new grats. phaidon sale , decide on artspace survivability, regan, . do the kids really want these? , children accounting ie bens house.etc. re do estate for new facts. redo loans, trading accounts activity, . gaming -foreign- disclosures. . BRH TRA re thinks . household and construction architects. . redone. art partnership , choice of paintings. . re do structure of consultants. tax re family office. . decide if investments are a realistic option in the next three years.. insurance. operations. airplane , etc. . art foundation , private . max charity contributions. financial reports. still waiting. ? on line banking, . tax planning, family office deductions (profit center) . airplane certificate, redone jet aviation redo. . paper gigi (E)trust to avoid gift tax. .
today is Oct 15
With your full knowledge I paid out 8 mil to my staff before june, . so i guess I can safely assume that after consideration of all the things I did for the entire past year separate and apart from your unique free "after care" concept. , what you thought was ultimately fair was the contribution of 5 million to a foundation and a total of 2 million dollars to me.

Date: Fri, Oct 16, 2015 at 1:08 PM
Subject:
To: Melanie Spinella <[redacted]>
I think you should consider the fact that your family office will be the most central component of what you leave to your children , wife heirs. it is the core of your assets. your art might be sold. your houses may lie empty, the apollo stock could be sold. you will pass on your office , . it will be the primary player in your estate tax. probate, transition. Brad has taken it from a D minus to a C minus, If I were you I would set the goal of an A. just like your paintings. . Like a house you could attempt to renovate it. it will take more time and money . or . in essence as I suggested in dec of 13, start from scratch. A financail head of office. - brad could move to being richards replacment as trustee. . barry cohen would be perfect but carries the trustee taint now. . take a tax partner from a major firm. to replace joslin, cost 1 + mil . keep heather and ssmantha. . bring in full time IT person. ASAP . your lighting contractor in your new townhouse has better IT than your multi billlion dollar antique opersation. data breaches are not your concern. precision is. . either re do the office layout . or get enterly new space. the proposals to focus on following on a monthly basis the values of all your current investments is an example of misplaced prioirties. . Your office is the heart of the familys financial life and temp future, it needs a heart operation

Date: Mon, Oct 19, 2015 at 5:10 PM

Subject:
To: Melanie Spinella <[redacted]>

Radical but my preferred idea. . START from total scratch. there is absolutely nothing worth keeping in your family office except for heather , nothing at all . I remember when i bought my first house in order to renovate and jack robertson said forget it. knock it down start again, I could n't believe it. but he was right. Like your tax returns that were done in triplicate. TOM RICH ALAN. . tom and rich were not really useful in the end. Alan was the only smart one. you should in my opinion Start a brand new office. hire cfo. bring joe over. heather and samantha, run parallel for 6 months and close down the mess of elysium forever. leave your kids a functioning operation professionally constructed and managed. NOT BY ME!!!
LAst nov i laid out priorities IT , being the first nothing as of today. in July I said focus on airplane as a test . to examine procedure and proficiency, so far mostly a waste of resources time people etc. Only last week told debra owns 49 percent of plane. no IT to speak of. bens house unaccounted for. tax returns very very sloppy, . boat still argued as third home. . pilots bonuses? , structure unkown by all. cash sitlling at the same time loans outstanding.
Phaidon , looks like close to breakeven in a few years. others totally unknown. Query , do you really want this ? : I m not sure how you both want to have an investment office and have cash flow being eaten by publishing and loans amounts outstanding increased by art. --interest rates will be going up.- . your plane will cost 10 million to refinance - so will boat if sold next year-. art space and regan , both needs more cash. with little return, taxes , art purchases . Part of radical solutition is to sell publishing.altogether. (are the children really interested.) . restrucuture plane from scratch. layers unncessary. simplify crazy structure s bank accounts trading accounts accounts payble. credit cards. etc. The best way to wean yourself away from me is to have someone else do the whole thing from scratch. . move brad to be the replacement for Richard. . he is nice but this is not what he does. Him saying it is soooo fucked up to me , was only an echo of me sayint it to you. .

Subject:
To: Melanie Spinella [redacted]

as brad can attest , I spent time today with joslin, joe. etc. no question at all, a failed experiment. In the words of a banker that made a call on your office. what happened? leon seems to have replaced Eillenn with a team of Shleppers. ? I know you care little for what they may think , but the legacy you leave your kids is just that. you only have 60 days of planning left for this year. numbers are all over the place.
I recieved a nice call from Karp today, . He touted me as a great friend to you. I am happy to be just that. . He said it was important for me to tell you what others won't. Keep heather , fire EVERYONE else.

Date: Mon, Oct 26, 2015 at 1:10 PM
Subject: CONSTRUCTIVE?
To: Brad Wechsler [redacted]>, Melanie Spinella <[redacted]

1 cash flow projections for 16. . draft ok. i will be easy. i need rought projection. 2. phaidon chart laid out now with who signs in sale of shares vs enitities. ? ie managing memebrs. . 2 . 3 new trusts. Apo-o , dynasty, (does leon want to put in new restrictions per child). - publishing interests. . 3 llc, for investments 4 names insured? guarnatees? art loans. outstanding. sales or use tax owed? 4, comparison of execu jet vs jet aviation. . 5. the bank loan on the jet is going to come due. does leon prefer to extend f they would (he is a guarantor. ?) or will he need to pay 10 million cash to renew, that wiill determine new structure of plane. getting rid of rance, wells fargo, john hannon, lisa gratizaino etc. . 5. boat restructure . 6 grats - if leon decie to have another. 7 accountning for children, .

Date: Mon, Oct 26, 2015 at 7:08 PM
Subject: draft
To: Melanie Spinella <[redacted]>, Brad Wechsler <[redacted]>

phaidon and art space. combined basis 96 million , (reviewed with brad and joe.) . add ten for restructuring . basis 106. mi. subtract total sale price. for both, lets say approx $8 - 15m . leaving loss of between 90 and 98 million long term loss. . AMT rate 28 % obama . tax 3.8% . city and state 12% total aprox 43 %. tax rate. savings 38.7 - 44 m

0:51 PM (15 hours ago)
to me, Richard, Karen
Good afternoon
Removal of headers in Cabana's 1 and 2 started today
Dock Shelters proposed start date 16 Apr
LSJ staff cottage and Sams kitchen and bath cabinets are due in this week.
Have yet to schedule install.
Will have estimate for GSJ Staff Cottage from EB by the end of the week
Unable to contact Jimmy again regarding thIs project, Reached our Monday to schedule site meeting, got a - No Can Do -
reply !!!
Regards Brice

Date: Mon, Oct 26, 2015 at 8:37 PM
Subject:
To: Brad Wechsler <[redacted]>, Melanie Spinella <[redacted]>

gain at 20 % not 28. . so total , 35.8%. tax rate. same for boat. and plane each around 10 m so total 7 m savings if both sold

Date: Fri, Jun 3, 2016 at 5:56 PM
Subject:
To: Heather Gray <[redacted]> [redacted]

heather leon seems to not recall the issue of finding an alternative to the eschange agents resale cerificate. he didnt remeebr you suggesting a gallery instead. you mentioned that he did not want to get another gallery involved. ? has any of the transactions been audited using this method , which even i find agressive.

Date: Fri, Jun 3, 2016 at 3:02 PM
Subject: RE:
To: "jeffrey E." <jeevacation@gmail.com>

Hi Jeffrey,

As you will recall, we used this same exchange agent last year on the Calder 1031. At the time, we discussed the merits of using a gallery versus a commercial exchange agent and my recommendation to Leon was to use a gallery. I felt that there were advantages to using a commercial exchange agent instead of a gallery on the 1031 side (e.g., less likelihood of a breach of confidentiality, IRS familiarity with CDEC in the event of an audit, security of funds), but that a commercial exchange agent gave us less comfort on the sales tax side. Leon did not want to use a gallery because he was concerned about confidentiality and he did not want to have to ask a gallery that he did not do much business with to act as exchange agent.

When Leon first discussed the exchange for the Cezannes with me a few weeks ago, I asked him if he wanted to use the same exchange agent as last year, or if he wanted to use a gallery. I said that a gallery carried little to no risk on the sales tax side, but I reminded him that he had not wanted to use a gallery last year for the Calder because of confidentiality reasons. He said to use the same exchange agent as before, which made sense to me because he was extremely concerned about confidentiality with the purchase of the Cezannes.

I will find out about sales tax audits and will let you know. The exchange agent has had a New York resale certificate since 2014 and has been engaged in art transactions like this since then, but I do not believe they have been audited. I will check, though, and I will also ask the Herrick lawyer if any of his clients who have done similar deals have been audited.

Best,

Heather

Source: The Daily Telegraph {Main}
Edition:
Country: UK
Date: Friday 15, September 2017
Page: 28
Area: 996 sq. cm
Circulation: ABC 477927 Daily
Ad data: page rate £46,000.00, scc rate £214.00
Phone: 020 7931 2000
Keyword: National Theatre (National)

How the Oslo Accords became gripping drama

As Tony award-winning play 'Oslo' comes to the NT, *Con Coughlin* shares his memories of covering the actual events it depicts

A three-hour play about the Middle East peace process? It's hardly a subject to get the pulse racing. And yet, JT Rogers's new play *Oslo*, about the astonishing, behind-the-scenes negotiations that resulted in the historic Oslo Accords in 1993, won a Tony for Best Play on Broadway this year, and has already virtually sold out its month-long run at the National. Such is the demand that the production, starring Toby Stephens, promptly transfers to the West End in October.

Oslo dramatises a period of history – and a brief spell of optimism – that is now a distant memory. With so much of the modern-day Middle East consumed by turmoil and conflict, it's al-Qaeda, so-called Islamic State, Iraq, Syria and Libya that are dominating the headlines, not the peace process.

Even as we approach the 100th anniversary of the Balfour Declaration, whereby Britain committed itself to the establishment of a Jewish homeland in the uncultivated area of the eastern Mediterranean known as Palestine, the long-running conflict between the Israelis and the Palestinians is no longer the main story. So much so that theatregoers in New York were heard to remark after a performance of *Oslo*, "Oh, the PLO! I'd forgotten all about them."

Yet by taking the art of diplomacy as its subject, Rogers has fashioned an unexpected thriller out of the brave and inspired Palestinian and Israeli negotiators who came together in a remote Norwegian house to put aside decades of hostility and make peace. Their efforts were rewarded with a momentous ceremony on the White House lawn in September 1993, with Yitzhak Rabin, the Israeli prime minister, and Yasser Arafat, the PLO chairman, shaking hands to seal the deal in front of a beaming president Bill Clinton. And sitting anonymously among the thousands of global dignitaries who had flocked to Washington to witness this historic event was Terje Rød-Larsen, the cultivated, softly spoken Norwegian diplomat who, with his wife Mona Juul, made it all possible by enabling the rival delegations to meet in secret to thrash out their differences.

As a journalist covering these extraordinary events for *The Daily Telegraph* during the Nineties, I came to know a number of these players personally. Many of them are no longer around to reflect on Rogers's version of events. Rabin, the great Israeli warrior-turned-politician who agreed to make peace with Arafat, a man most Israelis, as one Israeli character in the play remarks, saw as being akin to "Hitler in his bunker", was murdered by a Jewish extremist in November 1995 in revenge for signing the deal. The mysterious circumstances surrounding Arafat's death in a Paris hospital in November

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2004 remains a source of controversy among his PLO loyalists, many of whom believe he was poisoned by Mossad, the Israeli intelligence service. By the time Shimon Peres, the Nobel Prize-winning prime minister of Israel who helped resolve many of the more intangible issues, died more peacefully aged 93 in 2016, he had become one of the most accomplished statesmen of our age.

But perhaps the greatest casualty from that era – when there were genuine expectations on both sides of the Israeli-Palestinian divide that the conflict might be resolved peacefully – has been the peace process itself, which today is almost nonexistent. When, for example, I told an Arab ambassador acquaintance I was going to see a preview of the play, he simply remarked: "No one talks about the peace process any more. It doesn't exist."

This makes Roger's examination of one of the most unlikely diplomatic dialogues ever undertaken all the more poignant, as it harks back to an era when reconciliation seemed genuinely possible.

The task facing the rival delegates when they first meet is a daunting one. For the Israelis, if the fact became known that they were talking to the PLO, the government would most likely fall. For the Palestinians, it would mean an assassin's bullet.

At the heart of this *danse macabre* stands Rød-Larsen, whom I met on several occasions in Jerusalem in the Nineties when the hard work had begun on implementing the deal. A quiet, patient man, he never seemed to be entirely comfortable with the rough-house atmosphere of the region, where disputes were often more likely to be resolved through rocks and rubber bullets than rational persuasion.

Toby Stephens's portrayal of Rød-Larsen gives him a great deal more zest and personality than I recall, but this neatly nuanced performance is key to the pace of this fast-moving, entertaining take on the events (Rogers has said that, in order to liven up what might otherwise seem a prosaic and convoluted political process, he studied the plays of Noël Coward).

My favourite scene from the play is the one where the lead Israeli negotiator, taking a break from the negotiations, entertains his Palestinian counterparts by giving an impersonation of Arafat as an effeminate narcissist, a portrayal I found entirely plausible from my own encounters with the PLO leader, whose vanity knew no bounds.

Uri Savir, who was deputed by Peres to run the Israeli side of the negotiations, was someone else I got to know during that period. An urbane multi-linguist of an academic disposition, I generally found Uri to be softly spoken and thoughtful when discussing regional issues. Philip Arditti's portrayal of him in the play, though, makes him out to be more like the uncompromising, muscular Israeli type, more usually found in the ranks of the security forces than in the diplomatic service.

Depictions in theatre of almost anything to do with the Middle East tend to stir strong passions among audiences. I was particularly struck by Rogers' sympathetic understanding of the Palestinian predicament. "I was very anxious about the combustibility of it," said Rogers in a recent interview. "I assumed there would be controversy [in America] only because someone would be enraged that I had allowed the 'other side' to have their say." Certainly Peter Polycarpou's depiction of Ahmed Qurei, the Palestinian finance minister sent by Arafat to make peace, admirably captures the conflicting emotions of enduring the pain of exile while seeking to wreak terrible vengeance on the Israeli occupiers.

Indeed, for all the quips and light-hearted banter, *Oslo* is, at heart, a deeply emotional drama. When the Israelis finally strike a deal with the Palestinians during a telephone call to Arafat's headquarters in Tunis, they think they can hear music playing in the background. In fact it is the battle-hardened veterans of the PLO sobbing at the prospect of being allowed to return to their homeland.

Ultimately, the play is an implicit tragedy about the failure of both sides to build a lasting peace on the basis of the painful concessions made during

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the Oslo negotiations. "Between our peoples lies a vast ocean," says Ahmed Qurei, the finance minister for the PLO, in the play, just before the negotiations start. Twenty-five years on, that ocean seems as vast as ever.

Oslo is at the National Theatre until Sept 23, then transfers to the Harold Pinter Theatre from Sept 30 to Dec 30. Tickets for both: nationaltheatre.org.uk

'Perhaps the greatest casualty from that era has been the peace process itself, which today is almost nonexistent'

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BRINKHOFF-MOEGENBURG; AP

JT Rogers, far right, and the NT production of *Oslo*, above. Clinton with Netanyahu and Arafat in 1993, below

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From: jeffrey E. [jeevacation@gmail.com]
Sent: 4/8/2018 4:20:18 PM
To: jeffrey epstein [jeevacation@gmail.com]

Importance: High

Date: Mon, Oct 26, 2015 at 8:37 PM
Subject:
To: Brad Wechsler [redacted] Melanie Spinella [redacted]

gain at 20 % not 28. . so total , 35.8%. tax rate. same for boat. and plane each around 10 m so total 7 m savings if both sold

Date: Tue, Oct 27, 2015 at 11:35 AM
Subject: Detailed constructive list.
To: Melanie Spinella [redacted]
Cc: Brad Wechsler [redacted]

Deciisions needed asap 1 phaidon. topco etc. . (cash needs) many wires needed !! 2 new trustee or not. - new decantings 3 art in art partnership.??! .overdue ?! 4 grats? window - 5 art space. .6 regan arts. .7 plane simplify re strucuture re finance. re purpose . 8 .boat restrucutre , sister, 9 re fresh estate plan. to consider modifications Alex Victoria equal does not mean same. 10. tra review , sale. , 11 brh, doc review, 12. sale of stock or art ? tax, rent sale 13 . gifts of art. 14. charity current and future pledges , gifts, 15 cash flow. . 16 . new IT and new personnel. 17. operational re-do (bill pay etc) . 18 debra and children ? current and future involvement . notifications etc. . new dynasty trust ? 19. tax plan and dislosures gaming. foreign apollo and phaidon related . 20. investments rationalize incl trading accouints . 21. bank loans . rates ? ? terms etc. consolidate. plane boat houses. disclosures? 22 . consolidate and review and reduce the number of all bank accounts and legal entities. decanting liquidating etc. . 23 all outside consultants? valuations etc. 24 review legal bills carefullly. 25. third party responsibilty Bens house , alex films . etc.

Date: Wed, Oct 28, 2015 at 5:56 AM
Subject: Fwd: Detailed constructive list.
To: Lesley Groff [redacted]

please print two copes . re formattted so leon can go line by line ie . heading s question, gift answer. blank who responsible. time frame. fee paid when?

Date: Tue, Oct 27, 2015 at 6:35 AM
Subject: Detailed constructive list.
To: Melanie Spinella [redacted]
Cc: Brad Wechsler [redacted]

Deciisions needed asap 1 phaidon. topco etc. . (cash needs) many wires needed !! 2 new trustee or not. - new decantings 3 art in art partnership.??! .overdue ?! 4 grats? window - 5 art space. .6 regan arts. .7 plane simplify re strucuture re finance. re purpose . 8 .boat restrucutre , sister, 9 re fresh estate plan. to consider modifications Alex Victoria equal does not mean same. 10. tra review , sale. , 11 brh, doc review, 12. sale of stock or art ? tax, rent sale 13 . gifts of art. 14. charity current and future pledges , gifts, 15 cash flow. . 16 . new IT and new personnel. 17. operational re-do (bill pay etc) . 18 debra and children ? current and future involvement . notifications etc. . new dynasty trust ? 19. tax plan and dislosures gaming. foreign apollo and phaidon related . 20. investments rationalize incl trading accouints . 21. bank loans . rates ? ? terms etc. consolidate. plane boat houses. disclosures? 22 . consolidate and review and reduce the number of all bank accounts and legal entities. decanting liquidating etc. . 23 all outside consultants? valuations etc. 24 review legal bills carefullly. 25. third party responsibilty Bens house , alex

films . etc.

From: jeffrey E. <jeevacation@gmail.com>
Date: Tue, Feb 24, 2015 at 2:20 PM
Subject:
To: Melanie Spinella [redacted]
Leon,

Yesterday , I again spent hours upon hours of my time with your office. ,(speak to brad to get flavor) and you and i will discuss the results in gory gruesome detail on Friday. it mirrored many other weeks spent doing the things that I don;t have the time to do.

In order to keep things in perspective, maybe reviewing an analogy I have used before with you, might be helpful. You and your family are a 6 billion dollar corp. with an income between 250 -500 million dollars per year. It contains a few operating biz's , a large wide array of existing investments, in various categories , a desire to enter into others. A panoply of loans, notes. purchases, wide range of all types of taxes. , planes. boats homes. . trusts ,grats. a crazy number of bank accts. (with no oversight) . law firms, acct firms, 800 page tax returns, foreign firms. art consultants. construction consultants bill payers, home mgmt.,vast multitude of llc's , including foreign, and with all that you only have a combined overhead of less that 3 million dollars.

I have previously sent you the very same note that i have enclosed again below ,this time with highlights . I wrote it to you over a year ago. As my acute disability (selective memory) seems to have been raised as one of your concerns , as a rule I try to memorialize things in writing in an attempt to lay out issues that I fear may later turn out to be a problem. ie what i would and wouldn't do , - my responsibilities. etc and those things that are not. below you will find details of things that I thought needed to be done, so that you wouldn't find yourself in the very place where you currently find yourself. however ,you chose to defer many of my suggestions- see below -,until only weeks ago. ! you chose to defer the jpm acct. the art partnership on and on - into this year. and though the 60- 50 40 timber emails all carried with it a clear warning that you needed to do something re personnel if it were to stabilize,- you chose to wait.

ONE YEAR AGO
Feb 17 2014 i wrote :

With regard the more pressing issue I am uncertain of just how to proceed. I am torn, as my very strong inclination is not to be involved at all . It is extremely time consuming, delicate, fraught with many pitfall many that will make you very upset and a major pain in the ass. I wrote you months ago that the quality of the people involved need to be upgraded. (lucky for me these last issues arose way before the beginning of my involvement) I am also aware however of my overarching friendship obligations of ok, -given all the complexities who else can do it? problem.

Your family office needs a daddy. children with good intentions are running around , sniping , nitpicking with little direction. As a stopgap measure I am suggesting , we put in Larry Delson to take charge Everyone would report to him. Eileen included. He would however work for me. this is not, by a long shot my first choice as I prefer only being responsible and standing behind my own personal work (ie the word DONE will no longer be transmitted to reflect status stated by others)

With no commitment on my part whatsoever, to do it. So far as I have failed in my attempt in trying to think through the problem creatively . My organizations handling of the more complex issues I believe you might find very costly, very ! (however many structures available some risk sharing, maybe risk caps ,etc) but would require my teams doing the work , not yours. Ada should be only a trust, grat administrator. not sure what role you prefer for Eileen as you hired her initially to oversee investments. whether Rich your controller stays or not, is not urgent. having Tom report to a new person,- is. coordination with Suydam Kathy Gregory, I would suggest limiting to one person. The increasing public profile needs to be taken into consideration.

TODAY

With your acquiesence , Eileen did not report to Delson (he acting as a conduit directly to me) , she continued to provide bad info to both you (cash flows , stock accts, structures. sales Etc) and me. and each time with my many annoying calls to you made immediately afterwards that she was g.....y !! No one was hired to run YOUR office until two months ago , no one was even interviewed and even now , Brad, a very nice man, is not even full time,(crazy) Hours upon hours of time need to be spent training him . and his new staff. Eileen followed your instructions. not mine. in fact she continued to ignore mine saying " but Leon said " or " its on Leon's desk etc " , You would become frustrated when i pointed out each instance. of her obfuscation. originally you were given the clear choice, but to save money ,you chose not to hire my team . I was hired to do the architecture, you kept your own team. with Eileen at the head. instructions were given by me, , detailed but ignored by her. (except in the instances where I inserted myself and personally had to do the weeks of grunt work),ex. jpm morgan acct still not in use? That being said, If you do the cold calculation ,starting from where you were, to where you are currently . you have made a hell of a deal. -- negotiating down my original amount requested , calling upon our friendship and suggesting that the Carlyn mess was partially my fault. (though in that specific example , I had never been asked to do more than merely provide you the name of the most highly recognized atty in the field, not consulted,nor even asked again for my guidance along the way.). I accepted the discount as your friend. (by the way ,,suggesting now, that your Tom is now that last word on tax characterization, frankly is a bit much,-). however - that is all in the past.

In order to move forward

I would ask that you realize that very unlike yours, My business is only comprised of my personal attention and my personal time . Time that I was forced to grossly overspend on your various issues last year. . As you are my very close friend I will not have you participate in a bidding process that I have decided i will have this year for my time . (hopefully a more fair way to allocate) I would also ask that you keep in mind that though our deal expired months ago. (also keeping in mind , that your understanding of the final payment terms neither reflected the emails or my memory, we finished it up your way.) I have answered every call Brad , joslin, Ada or you, have made . reviewed docs over and over/ until once again, I was forced to insert myself strongly as I thought it dangerous not to. I made serious dollar and time concessions last year.very serious I am wiling to continue to accommodate some of your concerns , but I am, under no circumstances , none, willing to spend my time for free. its not fair. After cleaning up Carlyn's mess , which was a few weeks and 30 million dollars . We were both highly aware of the dire circumstances in which you found yourself last year, and in fact due predominately to its seriousness. and those very circumstances I took extra care in our negotiations . (you had claimed I had you over a barrel , (a horrible position to be in with my very close friend.), unfortunately I fear that if you are not cautious ,in the near future, another barrel will appear of your own design)

I heard you when you said you believed i had already been paid for the work that is now required. The art partnership has fully answered all your concerns and discharged all my obligations and more so. . (FYI Carlyns art partnership that you referenced is similar in only its title.) You will also recall that you required that my payments be at the end of my work not at the beginning as everyone else's .(my work was never to include hours upon hours of training your staff). I eventually agreed, this of course should make clear that the 2014 tax year that will close Oct 2015 is not covered by our past agreement at all. I pointed this very fact out to you when I initially proposed a multi year agreement right out of the box. you said you preferred not. As you said ,I have produced results to date, far in excess of even my own exalted opinion of my projections. I have devoted a monumental amount of my limited amount of time-- way, way in excess of our agreement. I will be fair, I am willing to roll in the amount still outstanding from last year if that helps .. However, As my best student , and my only one, you are now capable of doing most, if not all, of the required work yourself. I can put my whiteboard away when you come to eat and just have fun, trade stories,. share moments ideas etc. . I am of course always available to guide you as a friend if you choose that route . always . It will take a great deal of your time , but you will not have to spend any more money on mine .

We are scheduled to meet fri at 430 , I leave at 5 am sat morning.

--

Date: Wed, Nov 4, 2015 at 4:45 AM
Subject:
To: Melanie Spinella [redacted]
okay, its time for you to decide how you would like to move forward. (fyi get your money from the 1031 . the screw up is only one of many,) If you decide to move foward on decanting. phaidon, note basis estate update , each requires many carefully orchestrated detailed steps. and precision . there are hundreds of millions in saving if done correctly and a huge mess if not. If you want me and my colleagues to do it , oversee it paper it and guide it, you should tell me. It is a big undertaking . If not , ok .. Brad and your crew can do it. I will have no real further involvement apart from confirming the outcome of my proposed structure, I will not risk the admonition of- they thought you said, they thought you meant, they understood it to be. but they said you said, (i e ,I asked at our meeting that accounting be done properly for bens house , what came back was ada thought that I meant that we needed to go back to the 97 trust and give him a full third party accounting of where his money had gone??!! I kid you not). I dont think brad should talk to jane heller without a fully fleshed out plan in place and even then it should be you.

Date: Wed, Nov 11, 2015 at 10:59 AM
Subject:
To: Richard Joslin [redacted] Joe Avantario [redacted] Brad Wechsler [redacted]
lets calculate the exact payoff amount for the leon note as of nov 30 ,DEC1 , dec 31. 1) does art space get folded in to phaidon. . middle cos disolved.? 2 collapse topco etc
open bank accounts for apoo
interest will be approx 50k per day . look at deduction.
note payoff docs- notaries . new docs. releases ? , accountings? disclosures? (gaming ?) art partnership . renew. will? repaper lease guarantees? macfarlanes. ? do we pay down 10m. of plane. ? proposal for airplane , 91 , 135. exec , jet. .? remove debra. from plane?

Date: Wed, Nov 11, 2015 at 11:00 AM
Subject:
To: Melanie Spinella [redacted]
we should discuss e trust and j black trust. , brad buying phaidon. artspace folding ? plane/ boat. foundation.

Date: Wed, Nov 11, 2015 at 9:09 PM
Subject:
To: Melanie Spinella [redacted]
we need to coordinate. brad bank, cannot be clumsy

Date: Fri, Nov 20, 2015 at 10:50 AM
Subject: agenda
To: Melanie Spinella [redacted]
1. brad or richard. makes litte difference. 2. gagosian . no written contract??!! fishy to me - who transfers 100 million dollars overseas without a contract ,- dont want you pulled into a scandal. careful especially as he is on the tax dept radar, . 3. I would like you to delineate what you would like me to do - the more specificity the better.- I think it important to avoid any misunderstandings as to each of our obligations and responsbilities. I will always give you my best advice. I have made my views re ada and the office clear . no hedging. . THEY should go. no hesitation . no zeus, your choice obviously. good news - I will not bring it up again. moving forward- These transactions will require a great deal of manpower over the next holiday month, every document needs minute review. . I would like to fix our fee agreement , in detail no later than this weekend . ie amounts , dates paid . entities paid. any concept you may have of" after care"? all on the table. .other questions such as how much to leave your children ,in what form, has no right answer. but you and I can dialougue as long as you like about issues of judgement. it is out of o friendship. not biz. (bill hellman as a trustee?) . we can talk about that during walks etc . I would like for you and I to go back to

having fun.

Date: Mon, Nov 23, 2015 at 11:53 AM
Subject:
To: Melanie Spinella [redacted]
25 minutes needed. 1 new and vastly improved plan, needs your thoughtful input. decisions on legacy paintings bronzes. books etc. 2. we need to reach fee agreement. and authorities.(alan and I spent time over the weekend,) , hundred documents to be drafted. 3. gagosiaon 4 revolver . 5 inspire - FBI . 6. Phaidon, solution. 7 plane. no need to reinvent the wheel. . (rowen).

Date: Tue, Nov 24, 2015 at 2:41 PM
Subject: Fwd: Loan
To: Melanie Spinella [redacted]
Please talk to him

Date: Tuesday, 24 November 2015
Subject: Loan
To: Jeffrey Epstein <jeevacation@gmail.com>
Cc: Melanie Spinella [redacted], "Alan S. Halperin" [redacted] Ada Clapp [redacted] Joe Avantario [redacted]
Jeffrey-given the high daily interest cost (50k+/-) on $$ borrowed which you pointed out yesterday, here's what I'm thinking, but I want to be 100% on the same page as you:
1. Close next monday on the credit line, but don't borrow any $$. (We can, of course push closing back but my preference wld be to close.)
2. Right now, at barry's request, Irene Steiner, on behalf of the trustees is reviewing apo1 and apo-o1. While probably not impt on a "substantive" basis it was (a) impt to barry and (b) is likely good for leon.
3. We are hoping to have signature pages to the trustees (and returned to us) by early to mid next week. (Ada will oversee.)
4. We will then get the new trust to bofa who, moving quickly (according to them), will have an acct open the following week, 12/7-9.
5. We need to manage execution of paperwork associated with decanting which I assume occurs once apo-o1 and bank acct are operative. (Ada I'm sure you'll be on top of this).
6. I assume we will move $$ to pay down loan the day or day after (?) apo-01 bank acct open. As you know we cld do this as early as next monday/tuesday but then cash will be sitting in apo-1 while we're waiting for apo-01 bank acct.
7. If there are sales of assets (or llc's) from leon to apo1 or apo-01 that needs to be buttoned down and organized asap.
8. Same if you want another NEW trust in the mix as that will involve paperwork and opening an acct with bank.
Let's discuss to make sure we're on the same page on process. B
Sent from my Verizon Wireless BlackBerry

Date: Mon, Nov 30, 2015 at 5:21 PM
Subject: agenda
To: Melanie Spinella [redacted]
1 fees, amount and to what entities when and responsiblitis. 2. gagosian idea to save a minimum of 10 mill and maybe more. 3. i can walk you through carlyns screw up, 50 % would have made little difference and maybe made it worse . 4. we should have an all hands meeting with your family to talk about art distribution on death. . 5. phaidon, decantings (already firmly in progress) loans. (alan) pent. (with follow up) all part of same elegant transaction, 6 asymetric risk worth at least 50- 60 no matter how you calculate. I can explain. 7 lets get the money issue out of the way once and for all. I have my team set to start.

Date: Tue, Dec 1, 2015 at 12:26 PM
Subject:
To: Brad Wechsler [redacted]

I would like to consider the gaming commmison disclosure dates. . 2 we should put to bed once and for all adas concerns re the bronzes. . alan should opine on valuation ranges? rather than estimates. . 3. Leons input re gagosian purchase. (trade in , 1031 if 17 likely transfer- . scream, phaidon. plane and boat. 4. I would like to review all assignment docs. decanting schedules. (exhibits). balance sheets for apo1-2 . . loan docs re transfer of narrows inside . 5. Leon should be clear regard future steps . pent etc. swaps , paydowns 6 mock-ups of all before trigger pull.

Date: Wed, Oct 28, 2015 at 12:56 AM
Subject: Fwd: Detailed constructive list.
To: Lesley Groff <[redacted]>
please print two copes . re formattted so leon can go line by line ie . heading s question, gift answer. blank who responsible. time frame. fee paid when?

Date: Tue, Oct 27, 2015 at 6:35 AM
Subject: Detailed constructive list.
To: Melanie Spinell[redacted]
Cc: Brad Wechsler <[redacted]
Deciisions needed asap 1 phaidon. topco etc. . (cash needs) many wires needed !! 2 new trustee or not. - new decantings 3 art in art partnership.??! .overdue ?! 4 grats? window - 5 art space. .6 regan arts. .7 plane simplify re strucuture re finance. re purpose . 8 .boat restrucutre , sister, 9 re fresh estate plan. to consider modifications Alex Victoria equal does not mean same. 10. tra review , sale. , 11 brh, doc review, 12. sale of stock or art ? tax, rent sale 13 . gifts of art. 14. charity current and future pledges , gifts, 15 cash flow. . 16 . new IT and new personnel. 17. operational re-do (bill pay etc) . 18 debra and children ? current and future involvement . notifications etc. . new dynasty trust ? 19. tax plan and dislosures gaming. foreign apollo and phaidon related . 20. investments rationalize incl trading accouints . 21. bank loans . rates ? ? terms etc. consolidate. plane boat houses. disclosures? 22 . consolidate and review and reduce the number of all bank accounts and legal entities. decanting liquidating etc. . 23 all outside consultants? valuations etc. 24 review legal bills carefullly. 25. third party responsibilty Bens house , alex films . etc.

ate: Fri, Dec 4, 2015 at 2:07 PM
Subject: Fwd: moving forward
To: Melanie Spinella [redacted]
I had forgotten that Alan was actually at the table when i explained my note deal to you. it was at the end of the meeting described below. . as you will recall , not once , not even a peep did alan suggest contemporaneously his hand in the crafting, in fact brad said it was an idea. that HE brad, HAD HAD , from the begiining . my emails between alan and I that you can read , further confirm authorship. Im sure you recall the obnoxious tooting when alan said he agreed with my plan. .

Date: Mon, Nov 2, 2015 at 10:03 PM
Subject: moving forward
To: Melanie Spinella [redacted]
I have mixed emotions about what transpired today. really, You saw first hand in nauseating detail what i have been saying to you for quite a while now. Joslins answers were totally incomprehensible. the charts he prepared unreadable. Brads defensive posture was at a minum very surprising . He and I have recently gotten along quite well , I thought . Neither Joslin or Brad understood a 180 million dollar number . no cash flow

after weeks of requesting? odd. when you suggested that heathers behavior was emblematic of a sloppy office , brad said lets not talk about emblems??! bill pay , admittedly no change for the year. . plane not done. though it was the only thing i suggested doing first in july . . I sent you a list of 10 consultantts. brad said three, . i didnt want to push it. I was shocked that brad was opining on things he knows little or nothing about. tax issues. 1031. neg basis , note payoffs (the same idea he said he had had from the beggining??!!) . answers re LBF holdings that can be corrected (they cant) . valuations that have never been read. . When we met in your lobby he seems surprised that i was there. I dont know if he felt somewhat sandbagged. . . the savings on the note payoff is aprrox 33 % of 1.8 billion. real money if you do phaidon which i see no reason not to . if later josh and ben want to buy it back with you or without you they can. i will walk you through the structure one on one. . the losses will offeset the calder gain as well as apollo gain.
Im aware that seeing what you saw frustrated you. I felt badly for you.

You wanted a contingent deal. real value. etc. I will not of course hold you to your deal . . its silly. its not how i work or a reflection of our friendship. my proposal is as follows. I want away from your buisiness , but at the same time leaving you in good shape. I think you should pay the 25m that you did not for this year. for next year its the same 40 m as always, paid 20 in jan and 20 in july, and then we are done. I will give you advice and counsel but new people will be running your operating machine. I will oversee all the work that needs to be done you and I will hire new people , and it will be self running. (it was may in my house when you told brad it had been 5 months and you were getting fed up) I will set up a parallel . office , somenoe like wendy dolman or her quality is paramount. two accountants two bookeepers and two office admins. . alan and zoe will handle trusts and grats. heatehr diana george will be incolved in art partnership. if you want brad, analysts etc. and kids to do investments I have little to add in that regard ,except to be able to account for things properly. I suggest that the kids must have skin in any deal.
Alternatively , we can continue to focus on fun and let someone else do the things that you want done. and you and I can kibbitz about it all. structures outcomes risk, museums. charity, (joslins answer by the way was I had asked how much charity was leon planining to give this year , (the 2 m) he didnt include your foundation or the payment to me, or from debra and you??!!

Date: Mon, Dec 7, 2015 at 5:39 PM
Subject: Fee
To: Melanie Spinella [redacted]
Amount ? Paid in kind ? Financed ? Plane ?Paid to ? Non charity , charity . Fixed dates

Date: Mon, Dec 7, 2015 at 8:05 PM
Subject:
To: Melanie Spinella [redacted]
please re iterate that no further actions taken without careful document review. please

Subject:
To: Melanie Spinella[redacted]
Leon,
As you are well aware, There is little I won't do for you, or at least try to do as a friend, and a great deal that I have already done (both known and some things that willneed to remain unknown.) Our arrangement was for me to architect sophisticated structures that would be beneficial to you. that is what I have done and will continue do in order to fulfill my obligations under our agreement. The discovered fact that you in reality need an entire family office built from scratch has been trying I have aleady agreed de- facto to try to help. I would suggest that Phaidons payroll and attention pales in importance to your personal structure,which has taken a back seat, Some of my suggestions regarding the Eysium office are as follows you will need a budget of 3- 5 million per year. CEO 1 million, new tax person to work with rich, 250. new bookkeeper ,200 new paralegal to work with ADA ALan etc , coordinating with Apollo, Akin , paul weiss , new acct openings , sec filings , sales tax review, etc. $150 . art point person. loan , inventory,

purchasing support, $?? software servers. video conferencing, tax oversight.

I believe You should rapidly address trustees , gift trust, succesion, wills of debra and children, , monetization events , cash flow. etc I can of course share my experiences with you on each issue.

WIth regard the more pressing issue I am uncertain of just how to proceed. I am torn, as my very strong inclination is not to be involved at all . It is extremely time consuming, delicate, fraught with many pitfall many that will make you very upset and a major pain in the ass. I wrote you months ago that the quality of the people involved need to be upgraded. (lucky for me these last issues arose way before the begining of my involvement) I am also aware however of my overarching friendship obligations of ok, -given all the complexities who else can do it? problem.

Your family office needs a daddy. children with good intentions are running around , sniping , nitpicking with little direction. As a stopgap measure I am suggesting , we put in Larry Delson to take charge Everyone would report to him. eileen included. He would however work for me. this is not, by a long shot my first choice as I prefer only being responsible and standing behind my own personal work (ie the word DONE will no longer be transmitted to reflect status stated by others)

With no commitment on my part whatsoever, to do it. So far as I have failed in my attempt in trying to think through the problem creatively . My organizations handling of the more complex isssues I believe you might find very costly, very ! (however many structures available some risk sharing, maybe risk caps ,etc) but would require my teams doing the work , not yours. Ada should be only a trust, grat administrator. not sure what role you prefer for Eileen as you hired her initially to oversee investments. whether Rich your controller stays or not, is not urgent. having Tom report to a new person,- is. coordination with Suydam Kathy gregory, I would suggest limiting to one person. The increasing public profile needs to be taken into consideration.

talk later..

Date: Sun, Dec 28, 2014 at 5:18 AM
Subject: jobs ahead
To: Brad Wechsler [redacted], Melanie Spinella [redacted] Ada Clapp [redacted]

1. review accounting system. Book keeping softaware. staff, (senior accountant) methods on line banking, brokerage. cash mgmt. airplane reimbursement. boat sale. art purchases sales use and sales tax. tax filings FBAR FATCA, gaming commsion, pfics, insurance . uk co law.
2. review docs for TRA BRH grats, trusts, heritage will, insurance, art lending. medical, springing powers. two fire drill books. one needed for injury. other for death
3 review bills . boats , planes, legal, (PW, McFarlands all outside. legal and accounting. Toms bills over 400k . house projects. south ny ben
4 cashflow projections tax projections , interaction with Apollo accounting tax, Phaidon ,art space ,and Regan. legal accounting. audit
5. children meetings , review to date and allocations
6 review all role in payables. files scanned, no paper
7 review invesmtents for tax basis and unrecognized gain
8 schedule of all hedge funds . redeemables commitments etc.
9 charities pledges strucutre, staff ,

Date: Fri, Feb 20, 2015 at 5:52 AM
Subject:
To: Melanie Spinella [redacted]

1) pg 1 A " unequal shares" . pg 23 "removal of trustees " absolute. dont be confused with abiltiy to set up seperate trusts, , 2) I am reachable this afternoon in europe. on cell. 3. on another note . -our financial agreement ended months ago . seperate from the art partnership (which i was told yesterday to my amazement is still not funded) . i am obligated to complete ? the time i have dedicated since oct/ dec has been spent mainly as your friend. tom, brad though i am fully cognizant of my responsiblities. I will try to help find people. I am not good at human resources. howevr If I don;t think they are good enough for you. I

will continue to say so , and you obviously decide. but I will reiterrate even in the face of your "nobody is good enough argument." keeping foremost in my mind that you and I have only beeen shown a very tiny handful of people. 4. I find the friction over fees , counterproductive. in an attempt to avoid it I had suggested a multi year deal early on. you rejected it. I then suggested, and urged you to have an option at a fixed fee , you also rejected that .you wanted the fee payment only at the end I argued but ,conceded. I suggested a structure that tom didn't like. you rejected it . 5 I suggest you make a fair proposal.- that i can either accept or reject. some payment up front this time is a requirement. I am willing to modify any outstanding obligations. - there are creative ways to assure you of your desired characterization of those payments. 6 you should open accts at Deutsh . and goldman. I am told that eilleen has set up over one hundred bank accts for you???!!. few relevant 7 you should immediatly demand a list of all her acct authorites , exec poistions . director etc. bank authorizsations. etc. talk later or over the weekend if you like

Date: Wed, Dec 9, 2015 at 10:16 AM
Subject: Fwd:
To: Jeffrey Epstein <jeevacation@gmail.com>
kkkjkjjjkjjyou said

Date: Tue, Feb 24, 2015 at 8:20 AM
Subject:
To: Melanie Spinella [redacted]
Leon,

Yesterday , I again spent hours upon hours of my time with your office. ,(speak to brad to get flavor) and you and i will discuss the results in gory gruesome detail on Friday. it mirrored many other weeks spent doing the things that I don;t have the time to do.

In order to keep things in perspective, maybe reviewing an analogy I have used before with you, might be helpful. You and your family are a 6 billion dollar corp. with an income between 250 -500 million dollars per year. It contains a few operating biz's , a large wide array of existing investments, in various categories , a desire to enter into others. A panoply of loans, notes. purchases, wide range of all types of taxes. , planes. boats homes. . trusts ,grats. a crazy number of bank accts. (with no oversight) . law firms, acct firms, 800 page tax returns, foreign firms. art consultants. construction consultants bill payers, home mgmt.,vast multitude of llc's , including foreign, and with all that you only have a combined overhead of less that 3 million dollars.

I have previously sent you the very same note that i have enclosed again below ,this time with highlights . I wrote it to you over a year ago. As my acute disability (selective memory) seems to have been raised as one of your concerns , as a rule I try to memorialize things in writing in an attempt to lay out issues that I fear may later turn out to be a problem. ie what i would and wouldn't do , - my responsibilities. etc and those things that are not. below you will find details of things that I thought needed to be done, so that you wouldn't find yourself in the very place where you currently find yourself. however ,you chose to defer many of my suggestions- see below -,until only weeks ago. ! you chose to defer the jpm acct. the art partnership on and on - into this year. and though the 60- 50 40 timber emails all carried with it a clear warning that you needed to do something re personnel if it were to stabilize,- you chose to wait.

ONE YEAR AGO
Feb 17 2014 i wrote :

With regard the more pressing issue I am uncertain of just how to proceed. I am torn, as my very strong inclination is not to be involved at all . It is extremely time consuming, delicate, fraught with many pitfall many that will make you very upset and a major pain in the ass. I wrote you months ago that the quality of the people involved need to be upgraded. (lucky for me these last issues arose way before the beginning of my involvement) I am also aware however of my overarching friendship obligations of ok, -given all the complexities who else can do it? problem.

Your family office needs a daddy. children with good intentions are running around , sniping , nitpicking with little direction. As a stopgap measure I am suggesting , we put in Larry Delson to take charge Everyone would report to him. Eileen included. He would however work for me. this is not, by a long shot my first choice as I prefer only being responsible and standing behind my own personal work (ie the word DONE will no longer be transmitted to reflect status stated by others)

With no commitment on my part whatsoever, to do it. So far as I have failed in my attempt in trying to think through the problem creatively . My organizations handling of the more complex issues I believe you might find very costly, very ! (however many structures available some risk sharing, maybe risk caps ,etc) but would require my teams doing the work , not yours. Ada should be only a trust, grat administrator. not sure what role you prefer for Eileen as you hired her initially to oversee investments. whether Rich your controller stays or not, is not urgent. having Tom report to a new person,- is. coordination with Suydam Kathy Gregory, I would suggest limiting to one person. The increasing public profile needs to be taken into consideration.

TODAY

With your acquiesence , Eileen did not report to Delson (he acting as a conduit directly to me) , she continued to provide bad info to both you (cash flows , stock accts, structures. sales Etc) and me. and each time with my many annoying calls to you made immediately afterwards that she was g.....y !! No one was hired to run YOUR office until two months ago , no one was even interviewed and even now , Brad, a very nice man, is not even full time,(crazy) Hours upon hours of time need to be spent training him . and his new staff. Eileen followed your instructions. not mine. in fact she continued to ignore mine saying " but Leon said " or " its on Leon's desk etc " , You would become frustrated when i pointed out each instance. of her obfuscation. originally you were given the clear choice, but to save money ,you chose not to hire my team . I was hired to do the architecture, you kept your own team. with Eileen at the head. instructions were given by me, , detailed but ignored by her. (except in the instances where I inserted myself and personally had to do the weeks of grunt work),ex. jpm morgan acct still not in use? That being said, If you do the cold calculation ,starting from where you were, to where you are currently . you have made a hell of a deal. -- negotiating down my original amount requested , calling upon our friendship and suggesting that the Carlyn mess was partially my fault. (though in that specific example , I had never been asked to do more than merely provide you the name of the most highly recognized atty in the field, not consulted,nor even asked again for my guidance along the way.). I accepted the discount as your friend. (by the way ,,suggesting now, that your Tom is now that last word on tax characterization, frankly is a bit much,-). however - that is all in the past.

In order to move forward

I would ask that you realize that very unlike yours, My business is only comprised of my personal attention and my personal time . Time that I was forced to grossly overspend on your various issues last year. . As you are my very close friend I will not have you participate in a bidding process that I have decided i will have this year for my time . (hopefully a more fair way to allocate) I would also ask that you keep in mind that though our deal expired months ago. (also keeping in mind , that your understanding of the final payment terms neither reflected the emails or my memory, we finished it up your way.) I have answered every call Brad , joslin, Ada or you, have made . reviewed docs over and over/ until once again, I was forced to insert myself strongly as I thought it dangerous not to. I made serious dollar and time concessions last year.very serious I am wiling to continue to accommodate some of your concerns , but I am, under no circumstances , none, willing to spend my time for free. its not fair. After cleaning up Carlyn's mess , which was a few weeks and 30 million dollars . We were both highly aware of the dire circumstances in which you found yourself last year, and in fact due predominately to its seriousness. and those very circumstances I took extra care in our negotiations . (you had claimed I had you over a barrel , (a horrible position to be in with my very close friend.), unfortunately I fear that if you are not cautious ,in the near future, another barrel will appear of your own design)

I heard you when you said you believed i had already been paid for the work that is now required. The art partnership has fully answered all your concerns and discharged all my obligations and more so. . (FYI Carlyns art partnership that you referenced is similar in only its title.) You will also recall that you

required that my payments be at the end of my work not at the beginning as everyone else's .(my work was never to include hours upon hours of training your staff). I eventually agreed, this of course should make clear that the 2014 tax year that will close Oct 2015 is not covered by our past agreement at all. I pointed this very fact out to you when I initially proposed a multi year agreement right out of the box. you said you preferred not. As you said ,I have produced results to date, far in excess of even my own exalted opinion of my projections. I have devoted a monumental amount of my limited amount of time-- way, way in excess of our agreement. I will be fair, I am willing to roll in the amount still outstanding from last year if that helps .. However, As my best student , and my only one, you are now capable of doing most, if not all, of the required work yourself. I can put my whiteboard away when you come to eat and just have fun, trade stories,. share moments ideas etc. . I am of course always available to guide you as a friend if you choose that route . always . It will take a great deal of your time , but you will not have to spend any more money on mine .
We are scheduled to meet fri at 430 , I leave at 5 am sat morning.

Date: Fri, Dec 11, 2015 at 12:19 AM
Subject: Re: Fw: sched
To: "jeevacation@gmail.com" <jeevacation@gmail.com>
Cc: [redacted]

Jeffrey-joe tells me you want this to go live on 12/21. Possible, but an awful lot has to go right next week logistically for everything to fall into place. We'll try....

From: Brad Wechsler
Sent: Thursday, December 10, 2015 05:36 PM
To: 'jeevacation@gmail.com' <jeevacation@gmail.com>
Cc: [redacted]
Subject: Fw: Fw: sched
On different subject: general time frame is: docs (notes and purchase and sale agreement to you tomorrow end of biz); incorporate your comments monday and get docs to trust attorney tuesday; contemporaneously meet in person with you tuesday or wednesday and do a dry run. On these days ada will also take the trustees through outline of docs they will receive thursday. Docs to trustees, leon et al on thursday and signatures gathered by friday for first close 12/22. Tight but doable. Ada, alan agree?
PS: ada, you shld begin to think abt where people are (jh, rr, bc, ldb) next week.

From: Heather Gray [mailto [redacted]
Sent: Thursday, December 10, 2015 05:24 PM
To: Brad Wechsler
Cc: Jeffrey Epstein (jeevacation@gmail.com) <jeevacation@gmail.com>
Subject: RE: Fw:

Subject: Re: Fw: sched
Barry-what we're going to do with jeffrey will be "small picture" and detailed. It might be better for you and jeffrey to have a higher level conversation some time next week; either way you'll have access to everything, obviously.

From: Barry J. Cohen [mailto: [redacted]
Sent: Thursday, December 10, 2015 05:55 PM
To: Brad Wechsler
Subject: RE: Fw: sched

I wouldn't mind attending a meeting or portion of a meeting with JE. If he is the mastermind, and you want to move quickly, it might get a lot of questions resolved quickly.

From: Brad Wechsler [mailto[redacted]
Sent: Thursday, December 10, 2015 5:37 PM
To: 'jeevacation@gmail.com'
Cc: [redacted] Melanie Spinella; Barry J. Cohen
Subject: Fw: Fw: sched
On different subject: general time frame is: docs (notes and purchase and sale agreement to you tomorrow end of biz); incorporate your comments monday and get docs to trust attorney tuesday; contemporaneously meet in person with you tuesday or wednesday and do a dry run. On these days ada will also take the trustees through outline of docs they will receive thursday. Docs to trustees, leon et al on thursday and signatures gathered by friday for first close 12/22. Tight but doable. Ada, alan agree?
PS: ada, you shld begin to think abt where people are (jh, rr, bc, ldb) next week.

From: Heather Gray [mailto[redacted]
Sent: Thursday, December 10, 2015 05:24 PM
To: Brad Wechsler
Cc: Jeffrey Epstein (jeevacation@gmail.com<mailto:jeevacation@gmail.com>)
<jeevacation@gmail.com<mailto:jeevacation@gmail.com>>
Subject: RE: Fw:
No, I'm meeting with him at 9:30 am tomorrow.

Date: Fri, Dec 11, 2015 at 9:49 AM
Subject: fee
To: Melanie Spinella [redacted]
elegant solution ;re fee. , 30 million paid now. with purchase of noel kalb, paid with funds from the drawdown. you should use and keep open the line for the full 30m and leave it outstanding until its expiration. in four months. legit biz reason, very nice , - the balance of the fee - paid in kind either low basis art . or interest in either milenium ,lone cascade ,or king street.

Date: Tue, Apr 14, 2015 at 5:53 PM
Subject:
To: Melanie Spinella [redacted]

saved you 500k at the last minute, . brad has had the same chart since march 16th, its his job to review NOT MINE .appears he is one of those living in the dark leiwe. I found 8 million dollars today, missed deductions. . not yet in the numbers, .?

Date: Wed, Apr 15, 2015 at 8:59 AM
Subject:
To: Melanie Spinella [redacted]
1 did the paul weiss bill get paid ??? 2. Talk to me before signing anything today important
10m paid today to gratitude america, a 501 c 3, willl make last year complete. 20 million paid today ftc . 10 million july 15 5 million sept 30. , 5 million jan 1 for all of 16 . tax savings paid at 37 percent . of net. savings. 50 million credit. net. so 150 million free . 600 savings 225 million owed. - 50 credit, 175 owed.

Date: Mon, May 18, 2015 at 8:17 AM
Subject: agenda for tomorrrow
To: Jeffrey Epstein <jeevacation@gmail.com>, Melanie Spinella [redacted]
as a reflection on your voiced spirited concerns in the what have you done for me lately category ?)):: .

in the beginning . there was eileen and tom. (eve and adam,-- however it appears, she declined to eat the apple from the knowledge tree)
. that was it. ada was at the bank but reviewing docs. carlyn was in the kitchen making mush (abel and cain) books as they were mystersiously called was being kept soley by eileen, with little or no input ,correction or advice from tom. herarely if ever asked questions. expenses ie airplane was done in house apollo. (1031 exchange blown etc) at this time
as I recall you got quite annoyed, and agressive and initiated the" talking out of the both sides of your mouth " tiddy, when i suggested that the level of their competence left much to be desired. (ralph lerner's came later) .response - eileen ran the desk, tom is a partner, ralph wrote the book etc
re tax there was almost no oversight of income, estate, gift ,sales and use, transfer excise etc . IRS SEC GAMING NYS. real estate, valuations (many)tax filings- disclosures, etc. re grats trusts defect trusts, llcs corps , trustees , partnerships. foreign corps. 100 bank accounts. gift taxes, , loans, notes. payables. expenses. . , insurance.(life , art, split dollar), cashflows, operating biz, , investments, contingent liabilitiites.(funds , miami) , commitments dividends, BRH TRA, shareholder agreements, bank loan agreements. wills, construction, , contracts planning permits etc..employ rules. checking account reconciliations, crediti cards. jewelry , cost basis ,(art stock etc.) foundations regs , brokerage accts, old stock certificates. stock options,(environmental solutions still not done !). estate tax calcualtion firedrill, (note ,basis etc) low basis , step ups , however with no accounting system, no reveiw of boat expenses plane expenses etc. . many outside counsel with litle or no coordination.
Paul Weisss , Mcdermit Will, Macfarlanes. Price Waterhouse , Reich, withers bergman, Empire, , akin gump, bbd seidman, Wendy , Apollo in house .
lumber, knowledge universe, ennvironmental, solutions 12 mii in stock, . on and on
the priority list that you asked me to prepare for brad and you in dec , unfortunatlleyso far , little change ie no accounting system that ties, no, brokerage accounts though strongly suggested , jpm db, gs, april of 2014 . IT antiquated
dagastino hired , no inut from me, julie, temps, paralegals miriam . etc.

still need new accounting system - on line banking . staff hires. (seprate from samantha two years out of school). audit system, . ?? john murphy? joslin? dag? eva? . i strongly suggest workers at the highest level of competence. two senior accountants. not managers workers who will get into the weeds. partn expertise, , replace ava, get heather help. a new person legal , new IT,system and person, way way overdue, new receptionist, bill opener, ability to oeversee
in house, boat plane review household (12million) review, filings- partnerhip accounting,- familitarity with grats, trusts etc . audit system put in place. that should be the easy part. then strategy to deal with :
As new facts on the ground develop , phaidon debra, children meeetings, ? stock sale sale of art, , apt(large gain), 1031 trade in , plane depreciation, boat sale. construction , brad will oversee brokerage and investment, ?? pe. real es, . publishing, grats, tra, brh (death). foundation , museum, tax proejctions cash flow projections, cooridnation with tax from apollo. etc

Date: Thu, May 28, 2015 at 8:53 PM
Subject: ulysses 2.0
To: Melanie Spinella[redacted]
I realize it is only due to a lack of understanind of the job ahead. and not out of any sense of unwillingess to pay
- as opposed to merely hiring people to set up a family office, someone will have to do the following- separate from the art partnership which is my responsiblity . there still needs to be a huge amount of work done for 2015,16. not to mention that brad at the moment is going to have train the incoming team?? your call strategic decisions re estate and other planning , sale of phaidon etc. . in addition setting up for the accounting for each strategy ie.:
income, estate, gift ,sales and use, transfer excise picasso, 1031 calder. . review and detailed oversite of IRS SEC GAMING NYS. real estate, entity valuations (many) tax filings- disclosures, follow up of grats,

trusts ,defective trusts, llcs corps , trustees , partnerships. foreign corps. 100 bank account need to be rationalized, not only having brad step in to children investments . gift taxes, trust , loans, notes. payables. expenses allocations . . , insurance.(life , art, split dollar), cashflows, operating biz, , investments, contingent liabilitiites.(funds , miami) , commitments funds and charities , dividend treatment -important review of transcations relating to BRH (amendments) TRA sale (nuanced) , shareholder agreements, bank loan agreements new bank relationships. . wills, construction accounting and oversite , contracts planning permits etc..employee rules, regs, . checking account reconciliations, crediti cards. jewelry , cost basis ,(art stock etc.) foundations regs , brokerage accts, . stock options,(ie environmental solutions still not done !). estate tax calcualtion firedrill, (note ,basis etc) review of boat expenses plane expenses, depreciation issues refunds etc. . rationalize all outside counsels and accounting firms
Paul Weisss , Mcdermit Will, Macfarlanes. Price Waterhouse , Reich, withers bergman, Empire, , akin gump, bbd seidman, , Apollo in house counsel.
set up and oversee brokerage accounts at JPM DB GS and thoughfullly trade
. new IT system from top to bottom full time IT person
new accounting system - on- line banking cooridnated with reports . fire drills as per caruci (he sounds good) and . audit system,s . review of john murphy? joslin? dag? eva? .
in house, review household (12million) review, filings- partnerhip accounting,- familitarity with grats, trusts etc . audit system put in place. that should be the easy part. then strategy re:
As new facts on the ground develop , phaidon debra, children meeetings, involvment ,
trustees adjusted, stock sale sale of art, , apt(large gain), 1031 trade in , plane depreciation, boat sale. construction , brad will oversee brokerage and investment, ?? pe?. real estate?, . publishing, grats, tra, brh (death). foundation , museum, tax proejctions cash flow projections, cooridnation with tax from apollo. etc
you are sitting on over 100 m of cash???!!

Date: Fri, Jan 2, 2015 at 2:55 PM
Subject:
To: Melanie Spinella [redacted]
Leon, I decided last week that there was little or no upside in disturbing your well earned holiday especiaily as you seemed so peaceful happy and smiley ,getting yourself in shape and truly enjoying your family time. etc. however the situation in your family office is unresolved. I am aware that brad starts monday howver, two last days of the year madness. timber.deal not complete no jpm,acct activity no partnership docs , old stock sales not complete , no bank doc redo. no phaidon note restructure, ., no boat expense review. airplane same ,topco midco.etc still not finished (trustee) , projections mixed with fiction. , legal exp out of control. no care for admin, silly (audit). tom conversation with joslin. notes. debra, trustee notes. trustees hiring . bens audit. interest payable made hoopjumping last day of year. after weeks and months. of lectures , gifts to discuss- staff. -houseproject mgmt. . I will continue to try , I had offered ajoint call with eileen before you left. as i said before , joslin takes instructions from eileen. he said it was made clear to him that he doesn't work for me but works for you. . I tried.

Date: Tue, Dec 29, 2015 at 7:26 AM
Subject: Fwd: leon DO NOT SEND, hand deliver.
To: Jeffrey Epstein <jeevacation@gmail.com>
Transaction complete !
. this - in spite of your collection of Elysium misfits. !!!
With Brad out of the office and unable to run his usual interference , the level of his utter incompetence was brought front and center, he may be a step up from Eileen, but if he is , then it is not certainly not by much, . Though you and I have spent many many hours discussing the importance of details and mechanics. I was not shown one document re phaidon,- not one.. Brad wanted to keep it private between he and his so called " advisors " however as he was out of the office during the most important transaction of the year, I did get to spend time with joslin Joe and john, - the situation in your office is wholly ludicrous - to summarize - the list I provided to Brad last December - things I thought were a priority to get done after consulting with your office still remains virtually undone.

IT, still desperately needed- reporting flawed cumbersome and inaccurate . all done by hand as one -off exercises , - airplane: re structure, (my only suggested priority in june) is really ,no further ahead, ,consultants up the kazoo but nothing at all done.(the office was told that i cannot even see the proposals received without brads specific authorization) - brad has no idea even as to what questions to ask. he knows little of finance, is run roughshod over by almost everyone in the office. he is a little man , using your power, to appear larger . Eileen was self aware enough to know she was over her head , that is a huge difference. bad info is rampant ie 3 million in deductions Im told are taken for art space but on closer examination it turns out they cannot be used at all. (ZERO benefit) though you will be told yes they were deducted on the return they said that is the question they get asked ! " were they deducted " not -" is there a benefit " !! I asked for the balance sheet and P and L for Regan arts , a basic first step in order to check your financials. "sorry we never got one?" though 9.8 million invested, no p&l, nothing , a construction project run amok , no budget, the coo fired after only 3 months. , no clue . I can add that artspace financials are also a total mess.

As your friend and in order toturn the page. I will try to be constructive
The following is a list of things I think would be in your interest to get done asap .but definitely not by me .

i suggest you form new grats. , hire a high level tax partner. use your trading accounts as they remain the paramount requirement 16 months after i emailed to you their importance. , I suggest you consider having the 49percent of phaidon merged into artspance and have Richard buy artspace. re-do bank loans. no need to pay interest at higher rates on boat or plane. . as Richard is now no longer trustee. re- do will, make suydam executor , with Barry, and john as back up. pay 1 million a year for executor role. get rid of Judy Black trust, deal with gifts and their tax returns, . review amounts to kids at fixed ages. put more protections in for Alex and Victoria. , distribute some money to kids let them make decisions. , decide art division with children in attendance . have fire drill done on estate. fill out estate returns as if you and Debra died today, choose advisers - rick bronstein said the only 1040 he ever filled out was his own. (this is brads chosen advisor??!) Halperin has a conflict that should be addressed., Debra should enter a tenants in common agreement with kids. you have airplane consultants tax consultants it consultants. plane operation consultant. . boat consultants. architects, lighting , art, legal, . foundation , deal with TRA , BRH , rationalize investments. cash flow. reporting, gaming disclosures. foreign, gift. . prepare tax projections for 15 and 16, . deal with neg basis (tufts gain, debt financed. art partnership, pledges. sell stock , art, deal with phaidon debt. athene,? income , capital , foreign , exit, corporate, insurance regs, out and inbound issues, basis, appropriate discount rates. ? terminations. control. , qualified dividends. corporate tolls, inversion rules. , grat issues, short swing and other sec disclosures, Rothshcild bank, 150 b they have a distribution network with no products , private bank Rockefeller Rothschild. financial service. deal with UK visa issue sooner rather than later. we can talk about Rowen request re Athene , 2 billion in taxes on transaction. ?!

the facts as i see them
in June and then again Sept, we both agreed to a 50% of phaidon payout., then after weeks of thinking about the issue (which I fully understand) . the payout was unilaterally changed . 5m woudl be reserved for the future ? . and out of the remaining 15m ,? i would receive only 5. (note : I'm confident that both the debt , and the artspace investment will also lead to a write off of another 30 m. plus) In my dining room ,you were surprised when I said that i require most people to pay their advisory fee up front so that I am assured that I will be properly compensated for my work when strategies that I devise are implemented . you may recall that you appeared offended and said " are you suggesting that i would go back on my word " I said no , of course not ! you are my closest of friends ,but my experience is that when amounts get large, people tend to get unhappy when it actually comes time for them to pay ,.
From day zero a 50 - 60 million price was attached as the fair price of the transaction just completed . though this amount was already substantially less thanour agreed and negotiated formula. - I was never told that this was out of range. in fact, alternative methods of payment . plane -in-kind etc, were discussed (ie keeping the 30m portion of fee outstanding till March) ,I provided as requested a detailed step by step execution plan and reviewed all documents that i was given access to. (Phaidon was not

forthcoming) in order to make my many corrections . I was then told that Alans involvement warranted a discount . Even in the best of light , though it is beyond question that not one-,not -one time in three years has he ever proposed a unique idea. (including the new tenant in common idea,) and lets say he made a contribution to the plan andeven that it was 50 %. though no one could posit such a large amount unless they were wearing a brightly colored clown suit. , the price of doing the deal was known . It had both sent in writing and spoken about on the phone numerous times , a detailed execution plan was provided . then and only then after all was laid out for the group I was told that after a number of conversations with brad karp that only 20m would be paid , (and even that was more than originally contemplated) for both transactions . I feel It was remarkably unfair. Did brad even know of our prior agreement.? I called him and he said he was never told.?, I would ask that you I and Brad karp sit together if you think it would be helpful. . I would like to send him this email, with your consent of course. If the transactions were never consummated , i would not be owed a dime, however , the price was known up front. , the detailed step by step plan was followed and overseen by me, the price that had been requested before the transaction was begun, and had lready heavily discounted, out of friendship, from our agreement . I believe the decision re paying only 20 m has frankly left me felling quite uneasy.

since you asked since last nov. i found 11 million dollars in dormant accounts. 4 million dollars in eileens drawer. . went through cash flows for phaidon shwoing that john murphy is not an accountant. redid your gagosian contract , . organized structure in case of divorce. set up gift trust. stopped ada from including multiple times things not in your interest. dealt with bad sales tax use tax income tax . created 8 millino in deductions ,500k in mistakes , found bank of scotland fbar problems, . . reorg bad art purchases , funds taken, , charibale decustions , helped with fincnacil sttment gamoing commions fling. . boat deductions, rescued stock from grats. . may 1 after months of brad not finding anyone i sent an email saying you would have to pay more. . on april 15. I sent an email detailing payments owed if i could figure out the basis issue, please see attached, .

questions you might ask your team ask them to provide a balance sheet or p&l for REgan arts. . doesnt exist ask . either wechsler or haperin to tell you what brh is, or how the tra works. . . ? as bronstein to tell you why the proposed phaidon transaction DOES not work. . as them to give you a plan for the plane. ? ask them to show you the cash mgmt for over 100 million dollars. . ask them to show you the IT system progress after one year. . the approval process for payables. . the cash flow projections? assumptions? ask for a comparative review of investments. ask haperin to describle to you in any detail BRH , the major asset of his two biggest clients. tax basis, disposiotion in the estate. . etc. ask brad to show you the liquidation of the inteveing art space cos? .

Last year you asked , for my help I told you I preferred not as we would be better off having no financial intereactions. the risk was not worth it. You told me that as my friend i had to do it I agreed., here we are in what I find to be an awkward situation. the transactions that i decvised were used , our agreement was ignored. and im not sure how to respond.

--

since you asked since last nov. i found 11 million dollars in dormant accounts. 4 million dollars in eileens drawer. . went through cash flows for phaidon shwoing that john murphy is not an accountant. redid your gagosian contract , . organized structure in case of divorce. set up gift trust. stopped ada from including multiple times things not in your interest. dealt with bad sales tax use tax income tax . created 8 millino in deductions ,500k in mistakes , found bank of scotland fbar problems, . . reorg bad art purchases , funds taken, , charibale decustions , helped with fincnacil sttment gamoing commions fling. . boat deductions, rescued stock from grats. . may 1 after months of brad not finding anyone i sent an email saying you would have to pay more. . on april 15. I sent an email detailing payments owed if i could figure out the basis issue, please see attached, .

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---------- Forwarded message ----------
From: jeffrey E. <jeevacation@gmail.com>
Date: Tue, Apr 14, 2015 at 5:53 PM
Subject:
To: Melanie Spinella [redacted]

saved you 500k at the last minute, . brad has had the same chart since march 16th, its his job to review NOT MINE .appears he is one of those living in the dark leiwe. I found 8 million dollars today, missed deductions. . not yet in the numbers, .?

---------- Forwarded message ----------
From: jeffrey E. <jeevacation@gmail.com>
Date: Wed, Apr 15, 2015 at 8:59 AM
Subject:
To: Melanie Spinella[redacted]

1 did the paul weiss bill get paid ??? 2. Talk to me before signing anything today important
10m paid today to gratitude america, a 501 c 3, willl make last year complete. 20 million paid today ftc . 10 million july 15 5 million sept 30. , 5 million jan 1 for all of 16 . tax savings paid at 37 percent . of net. savings. 50 million credit. net. so 150 million free . 600 savings 225 million owed. - 50 credit, 175 owed. 600 savings 225 million owed. - 50 credit, 175 owed.

Date: Tue, Jan 5, 2016 at 6:36 PM
Subject: Fwd: leon DO NOT SEND, hand deliver.
To: Jeffrey Epstein <jeevacation@gmail.com>

Transaction complete !

When we had our meeting in your home in Bedford. You asked me for my help. I told you multiple times that i thought it was a very bad idea, in that I preferred to have no financial interactions. I dont have many friends and didnt want money to interefer with our unique relationship. For five years you had the kind but goofy Eileen Alexandersson managing your accounting , legal, investments. reporting, trusts etc. When I told you in no uncertain terms that I firmly believed she was incompetent you admonished me for " speaking out of both sides of my mouth " . With regard Brad Wechsler , there is no " both sides. ". I have consistantly maintained since day one that he was highly unsuited for the job. When you initially asked me to help convince him to take the role , promising him a postion to manage mirage investments I sent you a note saying instead you should pay up and get first class people. I have reiterated the same message for over a year now. . Brad , not me was tasked with hiring new people and as you wanted him to take ownership of the staff,he conducted many interviews. you may recall that as late as may, you told him in my presence that he had had six months and had not hired anyone. since then I have rectified errors in sales tax, use tax, income tax, fbar reporting, 1031 reporting, 8 million of deductions. ,(last nov) 11 million found in dormant accounts and 4 million in the drawer. errors in cash flow both personal and Phaidon. Oversight on new grats first at 22 and then at 19 that were done without my consulatation were resolved only as aresult of my intervention. . 600 million in after tax savings was just accomplished.

With Brad out of the office and unable to run his usual interference , the level of his total and utter incompetence was brought clearly , front and center. He may be a step up from Eileen, but, if he is , then it is certainly not by much, A major difference is that Eileen knew she was over her head. Brad struts his stupiditly whenever he gets a chance.

A critical example. - Though you and I have spent many many hours discussing the importance of care and attention to details and mechanics. with regard Phaidon I was not shown one single document , not one.!! Brad wanted to keep it private between he, and his so called " advisors " however as he was out of the office during the most important transaction of the year, I did get to spend time with joslin Joe and john, - the situation in your office is totally ludicrous - to summarize - the list I provided to Brad last December - of things I thought were a priority to get done - still remains in the whole unresolved.

The IT, is virtually untouched and is still in desperate need of a format - reporting flawed cumbersome and inaccurate . all done by hand as one -off exercises , when either you or brad ask for it - airplane: re structure, (my only suggested priority in june) is really ,no further ahead, ,consultants up the kazoo but nothing at all done.(the office was told by Brad not to share the outside proposals with me - brad has no idea even as to what questions to ask. he knows little of finance, is bullshitted over by almost everyone in the office. a little man , using your power, to appear larger . Eileen was self aware enough to know she was over her head , that is a huge difference. bad info is rampant a simple emblematic example- 3 million in deductions Im told were taken for art space but on closer examination it turns out they cannot be used at all. (ZERO benefit) though you will be told yes they were deducted on the return they said that is the only real question you were focused on ! " were they deducted " not -" is there a benefit " !! I asked for the balance sheet and P and L for Regan arts , a basic first step in order to check your financials. "sorry we never got one?" though 9.8 million invested, no p&l, nothing!, a construction project run amok , no budget, the coo fired after only 3 months. , no clue . fyi artspace financials are also a total mess. (no receivables ??). when i asked for a list of what got done and did not, i received the email from Brad basicailly mind you own business. so much was promised. !!!

As in your words probably your closest friend and in order to turn the page. I hope the following to be constructive

Here is a list of things I think would be in your interest to get done asap .but definitely not by me .

i suggest you form new grats. , hire a high level tax partner. use your trading accounts as they remain a paramount requirement 16 months after i emailed you re their importance. THe Phaidon transaction papered and structured as contemplated DOES NOT WORK , its as simple as that. DOES NOT !! I suggest again that you re-do bank loans. no need to pay interest at higher rates on boat or plane. . as Richard is now no longer trustee. re- do will, make suydam executor , with Barry, and john as back up. pay 1 million a year for executor role. get rid of Judy Black trust, deal with gifts and their tax returns, . review amounts to kids at fixed ages. put more protections in for Alex and Victoria. , distribute some money to kids let them make decisions. , decide art division with children in attendance . have fire drill done on estate. fill out estate returns as if you and Debra died today, choose advisers - rick bronstein said the only 1040 he ever filled out was his own. Halperin has a conflict that should be addressed., A strategy of the use of art should be implemented. . you have tax consultants it consultants. plane operation consultant. . boat consultants. architects, lighting , art, legal, . foundation , deal with TRA , BRH , rationalize investments. cash flow. reporting, gaming disclosures. foreign, gift. . prepare tax projections for 15 and 16, . deal with neg basis (tufts gain, debt financed. art partnership, pledges. sell stock , art, deal with phaidon debt. athene,? income , capital , foreign , exit, corporate, insurance regs, out and inbound issues, basis, appropriate discount rates. ? terminations. control. , qualified dividends. corporate tolls, inversion rules. , grat issues, short swing and other sec disclosures, I still think you might consider a Rothshcild bank transaction they have 150 b and a distribution network with no products , private bank Rockefeller Rothschild. financial service. deal with UK visa issue sooner rather than later. we can talk about Rowen request re Athene , complex 2 billion in taxes on transaction. ?!

the facts as i see them

in June and then again Sept, we both agreed to a 50% of phaidon payout., then only after weeks, when you delayed any detailed discussion of money wanting to give the issue a thoughtful response (which I fully understand) . you unilaterally changed changed our agreement. . 5m would be reserved for the future ? . and out of the remaining 15m ,? i would receive only a third. (note : I'm confident that both the debt , and the artspace investment will also lead to a write off of another 30 m. plus) In my dining room ,you were surprised when I said that i require most people to pay their advisory fee up front so that I am assured that I will be properly compensated for my work when strategies are implemented . you may recall that you appeared offended and said " are you suggesting that i would go back on my word " I said no , of course not ! you are my closest of friends ,but my experience is that when amounts get large, people tend to get unhappy when it actually comes time for them to pay

I included in this letter the email i sent to you on April 15, the day i was examining your returns It laid out my understanding of the compensation for a transaction of the magnitude to the penny of the one just completed. though the number was great it was clear. When it appeared that the details could now be worked out I was the first to say , it is too much money, however.
From day zero I proposed to discount to 50 - 60 million the fair price of the transaction just completed . including Phaidon. . though this amount was already substantially less than our agreed and negotiated formula. - I was never told that this was out of range. in fact, alternative methods of payment . plane, or an -in-kind payment were discussed (ie including keeping the 30m portion of fee outstanding till March) ,I provided as you specifically requested a detailed step by step execution plan and reviewed all documents that i was given access to. (Phaidon was not forthcoming) in order to make my many corrections . I was then told that Alans involvement warranted a discount . Even in the best of light , though it is beyond question that not one time in the three years of his retainer has he ever proposed a unique idea. (including any wayt to deal with the use issue on debras death ,or even the most basic review of your largest asset by far , the BRH agreement.) O.K. - lets say he made a contribution to the plan and stretch reality beyond the pale and say it was 50 %. though no one could posit such a large amount unless they were wearing a brightly colored clown suit., the payment associated with the deal was known . It had both sent in writing and spoken about on the phone numerous times , a detailed execution plan was provided . then and only then after all was laid out for the group I was told that after a number of conversations with brad karp that a total of only 20m would be paid , (and even that was more than originally contemplated) for both transactions . Leon I feel It was remarkably unfair. I wondered whether brad even knew of our prior agreement.? I called him and he said he was never told.?, I would ask that you I and Brad karp sit together if you think it would be helpful. . I would like to send him this email, with your consent of course. If the transactions were never consummated , i would not be owed a dime, however , the expected fee was known up front. , the detailed step by step plan was followed and overseen by me, the amount that I had requested before the transaction was even begun, and had already been heavily discounted, out of friendship, from our agreement . I believe the decision re only paying 20 m has frankly , left me felling quite uneasy.

since you asked since last nov. i found 11 million dollars in dormant accounts. 4 million dollars in eileens drawer. . went through cash flows for phaidon showing that john murphy is not an accountant. redid your gagosian contract , . organized structure in case of divorce. set up gift trust. stopped ada from including multiple times things not in your interest. dealt with bad sales tax use tax income tax . created 8 millino in deductions ,500k in mistakes , found bank of scotland fbar problems, . . reorg bad art purchases , funds taken, , charitable decisions , helped with fincancial statements, gaming commission. . boat deductions, rescued stock from grats. . may 1 after months of brad not finding anyone i sent an email saying you would have to pay more. . on april 15. I sent an email detailing payments owed if i could figure out the basis issue, please see attached, .

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ask . either wechsler or haperin to tell you what brh is, or how the tra works. . . ? as bronstein to tell you why the proposed phaidon transaction DOES not work. . ask them to give you a plan for the plane. ? ask them to show you the cash mgmt for over 100 million dollars. . ask them to show you the IT system progress after one year. separate from making it more secure though you are not a trader with inside info the approval process for payables. . the cash flow projections? assumptions? ask for a comparative review of investments. ask haperin to describe to you in any detail BRH , the major asset of his two biggest clients. tax basis, disposition in the estate. . etc. ask brad to show you the liquidation of the intervening art space cos? that has been on the table for

months. .

Date: Wed, Jan 6, 2016 at 3:44 AM
Subject: Fwd:
To: Jeffrey Epstein <jeevacation@gmail.com>
PLEASE READ CAREFULLY ,
Mark was here this morning , the proposed transactions are extremely complex . and would take a great deal of detailed time. I do not know how, and if ,to move forward - our last transaction. a transaction which you saved 600 million in tax. even if as you say it could be 20 years away , (i hope longer) discounted to today is a savings of 300 million . for some reason you chose to ignore our agreements , verbal written and emailed - and decided that it was only worth 8 million dollars to you. . (assuming phaidon -richard happens. the calculation that you can see is a 24 m savings not including artspace and debt benefits- certain to come later .. IMPORTANT NOTE
: the phaidon transaction as currently contemplated will not work . NOT CLOSE
When we had our meeting in your home in Bedford. You asked me for my help. I told you multiple times that i thought it was a very bad idea, in that I greatly preferred to have no financial interactions. I don't have many friends and didn't want money in any way to interfere with our unique relationship. Reminder , For five years you had the kind, but very goofy Eileen Alexandersson as the sole manager of your massive accounting , legal, investments. reporting, trusts etc. When I first told you in no uncertain terms that I firmly believed she was incompetent you admonished me for " speaking out of both sides of my mouth " . With regard Brad Wechsler , there has never been a " both sides. ". I have consistantly maintained since day one that he was highly unsuited for the job. When you initially asked me to help convince him to take the role , promising him a position to manage mirage investments I sent you a note saying that instead of hiring him you should pay up and get first class people. I have reiterated the same message for over a year now. . Brad , not me ,was tasked with hiring new people , according to his biz school org chart.(nauseating) and as you wanted him to take ownership of the staff,he conducted many interviews alone. . you may recall that as late as may, you told him in my presence that though six months had passed he had not hired anyone. since then I have rectified errors in sales tax, use tax, income tax, fbar reporting, 1031 reporting, 8 million of deductions missed errors of millions on the returns. a cashflow that is misleading helped prepare financial statements (april) Oversight on new grats- first at 22 and then at 19 that were done without my consultation and were "resolved " soley as a result of my last minute intervention. . 600 million in after tax savings was just accomplished. (BTW- for some reason you left the 30 million outstanding that I had said should only be done" if" that was my additional fee. and not used for non biz purposes and not art.

Sorry but .,
in June and then again Sept, we both agreed to a 50% of phaidon payout first projected at 20 . but less when artspace and debt taken out, - then only after weeks, when you delayed any detailed discussion of money wanting to give the issue a thoughtful response (which I fully understand) . you unilaterally changed our agreement. . 5m would be reserved for the future ? . and out of the remaining 15m ,? i would receive only a third. (note : I'm confident that both the debt , and the art space investment will also lead to a write- off of another 30 m. plus) In my dining room ,you were surprised when I said that i require most people to pay their advisory fee up front so that I am assured that I will be properly compensated for my work when strategies are implemented . you may recall that you appeared offended and said " are you suggesting that i would go back on my word " I said no , of course not ! you are my closest of friends ,but my experience is that when amounts get large, people tend to get unhappy when it actually comes time for them to pay.

I include below the email i sent to you on April 15, the day i was examining your returns It laid out my understanding of the compensation agreed for a transaction of the magnitude to the penny of the one just completed.ie 600m When it appeared that the transcation would and could go foward I was the first to point out that our agreement would cost you too much money, therefore
From day one I proposed to discount our agreement to a 50 - 60 million range. An extremely fair price for

all the transactions just completed . including Phaidon. - I was never told that this was out of range. in fact, alternative methods of payment . ie my plane, or an -in-kind payment were discussed (ie including keeping the 30m portion of the fee outstanding till March) ,I provided , only because you specifically requested a detailed step by step execution plan and reviewed all documents that i was given access to. (Phaidon was never forthcoming) in order to make my many corrections . (as i said more needed on phaidon) . I was then told that Alans involvement warranted a discount . Even in the best of light , though it is beyond question that not one time in the three years of his retainer has he ever proposed a unique idea. (including any way to deal with the use issue on debras death ,or even the most basic review of your largest asset by far , the BRH agreement.) O.K. - lets say he made a contribution to the plan and stretch reality beyond the pale and say it was 50 %. though no one could posit such a large amount unless they were wearing a clown suit. , the payment and our formula of 37 percent associated with the deal was known . It had both sent in writing and spoken about on the phone numerous times , a detailed execution plan was provided . then and only then, after the entire transaction was laid out for the group to follow You told me that after a number of conversations with brad karp that a total of only 20m would be paid , (and even that was more than you originally contemplated) for both transactions . Leon I feel It was remarkably unfair. Did brad even knew of our prior agreements.? ?, I would ask that you I and Brad karp sit together if you think it would be helpful. . I would like to send him this email, with your consent of course. If the transactions were never consummated , i would not be owed a dime, however , the expected fee was known up front. , the detailed step by step plan was followed and overseen by me, the amount that I had requested before the transaction had even begun, had already been heavily discounted, out of friendship, . I believe the decision re only paying 20 m has frankly , left me felling quite uneasy. and colors the view about the Athene or Rothschild transaction.
Date: Wed, Jan 6, 2016 at 12:44 PM
Subject: Fwd:
To: Jeffrey Epstein <jeevacation@gmail.com>
PLEASE READ CAREFULLY ,
In the spirit in which it is sent. our friendship is intact and solid , though ,it has taken a hit.

Mark was here this morning , the proposed transactions are extremely complex . and would take a great deal of my detailed time. I do not know how, and even, if ,to move forward - . After months of hearing that you would have no problem paying a large fee if you could only ascertain value. The last transaction. a transaction which you saved over 600 million in tax. declared bullet proof by your attnys, and even if you want to disoccount for its future realization, creating a savings of over 300 million real dollars. For some reason you chose to ignore our agreements , verbal written and emailed -and at the very last minute , after the deal was complete decided that it was only worth 8 million dollars to you and your family. . (assuming phaidon -richard happens. there is a 24 m savings not including artspace and debt write down benefits- certain to come later .. IMPORTANT NOTE
: the phaidon transaction as currently contemplated will not work . WILL NOT !!

When we had our meeting in your home in Bedford. You asked me for my help. I told you multiple times that i thought it was a very bad idea, in that I greatly preferred to have no financial interactions. I don't have many friends and didn't want money in any way to interfere with our unique relationship. Reminder , For five years you had the kind, but very goofy Eileen Alexandersson as the sole manager of your massive accounting , legal, investments. reporting, trusts etc. When I first told you in no uncertain terms that I firmly believed she was incompetent you admonished me for " speaking out of both sides of my mouth " . With regard Brad Wechsler , there has never been a " both sides. ". I have consistantly maintained since day one that he was highly unsuited for the job. When you initially asked me to help convince him to take the role , promising him a position to manage mirage investments I sent you a note saying that instead of hiring him you should pay up and get first class people. I have reiterated the same message for over a year now. . Brad , not me ,was tasked with hiring new people , according to his biz school org chart.(nauseating) and as you wanted him to take ownership of the staff,he conducted many interviews alone. . you may recall that as late as may, you told him in my presence that though six months had passed he had not hired anyone. since then I have rectified errors in sales tax, use tax, income tax, fbar reporting, 1031 reporting, 8 million of deductions missed errors of millions on the returns. a cashflow that is misleading helped prepare financial statements (april) Oversight on new grats- first at 22 and then at 19 that were done without my consultation and were "resolved " soley as a result of my last minute intervention. . 600 million in after tax savings was just accomplished. (BTW- for some reason you left the 30 million outstanding that I had said should only be done" if" that was my additional fee. and not used for non biz purposes and not art.

Sorry but .,
in June and then again Sept, we both agreed to a 50% of phaidon payout first projected at 20 . but less when artspace and debt taken out, - then only after weeks, when you delayed any detailed discussion of money wanting to give the issue a thoughtful response (which I fully understand) . you unilaterally changed our agreement. . 5m would be reserved for the future ? . and out of the remaining 15m ,? i would receive only a third. (note : I'm confident that both the debt , and the art space investment will also lead to a write- off of another 30 m. plus) In my dining room ,you were surprised when I said that i require most people to pay their advisory fee up front so that I am assured that I will be properly compensated for my work when strategies are implemented . you may recall that you appeared offended and said " are you suggesting that i would go back on my word " I said no , of course not ! you are my closest of friends ,but my experience is that when amounts get large, people tend to get unhappy when it actually comes time for them to pay.

I include below the email i sent to you on April 15, the day i was examining your returns It laid out my understanding of the compensation agreed for a transaction of the magnitude to the penny of the one just completed.ie 600m When it appeared that the transcation would and could go foward I was the first to point out that our agreement would cost you too much money, therefore
more details

From day one I proposed to discount our agreement to a 50 - 60 million range. An extremely fair price for all the transactions just completed . including Phaidon. - I was never told that this was out of range. in fact, alternative methods of payment . ie my plane, or an -in-kind payment were discussed (
ie including keeping the 30m portion of the fee outstanding till March) ,I provided , only because you specifically requested a detailed step by step execution plan and reviewed all documents that i was given access to. (Phaidon was never forthcoming) in order to make my many corrections . (as i said more needed on phaidon) . I was then told that Alans involvement warranted a discount . Even in the best of light , though it is beyond question that not one time in the three years of his retainer has he ever proposed a unique idea. (including any way to deal with the use issue on debras death ,or even the most basic review of your largest asset by far , the BRH agreement.) O.K. - lets say he made a contribution to the plan and stretch reality beyond the pale and say it was 50 %. though no one could posit such a large amount unless they were wearing a clown suit. , the payment and our formula of 37 percent associated with the deal was known . It had both sent in writing and spoken about on the phone numerous times , a detailed execution plan was provided . then and only then, after the entire transaction was laid out for the group to follow You told me that after a number of conversations with brad karp that a total of only 20m would be paid , (and even that was more than you originally contemplated) for both transactions . Leon I feel It was remarkably unfair. Did brad even knew of our prior agreements.? ?, I would ask that you I and Brad karp sit together if you think it would be helpful. . I would like to send him this email, with your consent of course. If the transactions were never consummated , i would not be owed a dime, however , the expected fee was known up front. , the detailed step by step plan was followed and overseen by me, the amount that I had requested before the transaction had even begun, had already been heavily discounted, out of friendship, . I believe the decision re only paying 20 m has frankly , left me felling quite uneasy. and colors the view about the Athene or Rothschild transaction.

Date: Fri, Jan 29, 2016 at 2:39 PM
Subject:
To: Melanie Spinella [redacted]
you've agreed that

Your office is a multi billion dollar responsibility. your children will inherit it , in order to oversee their financial lives- I feel for you, truly ,but the facts are the facts, your ceo (Brad) has provided one bad document after another for over a year , no getting away from it, , bad cash flows no new IT, each time with " its gettting better " no in fact -! its not. - the excuse, that Brad is not the numbers guy, is ludicrous. of course he didnt actually prepare the statements. - no ceo would ,- but over and over he presented them to you and me , after , holding them back for his personal review multiple times and after multiple drafts. weeks of his editing, the consistant but "inexplicable "missing the obvious serious errors . (gaming) inaccuracies, (cashflow) and mistakes (tax returns). why, ?! the simple answer is that at best, he is a c minus, (note. I, like you ,also give points for effort.)- ! an elegant art partnership gone fallow. ??!!I and its core reason to exist. not used ? no docs for plane?, still ! why? no docs for decantings why? the docs for deal 1 received last night , " no docs at all for deal 2, the biggest " . why wasn't Tom brought in , after 4 times of my incessant reminders i spoke to him , he knows little of either transaction except for over view. never saw pahidon anything except projections until yesterday ? ?and this after your clear admonition etc. re the trading accounts no activity, at all,

Barry Cohen is great. more like him please .
you asked , - I did my best trying to train your brad chosen people in the face of my telling you that they were never going to be more than c-minuses, thousands of emails thousands ? Brad at its head . you can't as a ceo, have an accountant give you multiple pages with the most important numbers missing altogether and not notice, you and I saw the errrors right away ,as did my very junior bookeeper after only a cursory glance. He told me he didnt know the details of his note? ! , my guess is that he wanted to pay less. no more than that, any other story is blather. its silly. Talk to richard yourself.
re your estate. Yes another Brad issue - your will, needs revision. the tenants in common structure I assume Alan has carefully walked you through. it is way overdue, needed and exciting. I won't list the more serious issues in an email but we can speak over the weekend.

How can I help? We agreed at the time when you hired Castrucci , that when you fired him, I would bear no responsibility because it was clear that he shouldnt be hired. brad and you both said ," its on us", but... the equivalent of your art consultant pointing to a picasso and calling it a renoir. then a brancusi and calling it a michaelangelo. those were the types of erros that i saw immediatily, you said give them more time. at least they saw it was a painting and not a photo?

being weaned of our biz /pay realtionship has been our mutual goal. However since novemebr, you chose to do so by ignoring' our agreement re, phaidon,and your oft stated commitment to me of large payments for large value, (37 percent was our number). chose to pay me a number picked by what appears to be only by whim,- have yet to justify it except for telling me that you and Brad Karp talked.. .

What should we do? the next two years in biz world appears to both you and I , very fragile. Im happy to have brad sit in ?

Date: Thu, Oct 15, 2015 at 10:38 PM
Subject:
To: Melanie Spinella [redacted]

Office, - ada goes. , hire heather a paralegal . Joslin goes or is closely managed by new cfo with tax experience. . castrucii goes asap.as he merely adds to mess.(too many people , ex 7 people or more to pay a bill) eva goes. outsource as much as possible. . bookkeeping systems built from scratch, airplane restructure, boat . same, new grats. phaidon sale , decide on artspace survivability, regan, . do the kids really want these? , children accounting ie bens house.etc. re do estate for new facts. redo loans, trading accounts activity, . gaming -foreign- disclosures. . BRH TRA re thinks . household and construction architects. . redone. art partnership , choice of paintings. . re do structure of consultants. tax re family

office. . decide if investments are a realistic option in the next three years.. insurance. operations. airplane , etc. . art foundation , private . max charity contributions. financial reports. still waiting. ? on line banking, . tax planning, family office deductions (profit center) . airplane certificate, redone jet aviation redo. . paper gigi (E)trust to avoid gift tax. .
today is Oct 15
With your full knowledge I paid out 8 mil to my staff before june, . so i guess I can safely assume that after consideration of all the things I did for the entire past year separate and apart from your unique free "after care" concept. , what you thought was ultimately fair was the contribution of 5 million to a foundation and a total of 2 million dollars to me.

Date: Thu, Feb 4, 2016 at 10:01 PM
Subject:
To: Melanie Spinella [redacted]
josh's arrival cut short our needed conversation. I understand we have a difference of opinion. friends sometimes disagree, I shook on the 20 so you have no further obligation, none, I am willing to have brad karp hear both sides. as my view , you and i had an agreement. on phaidon /publishing, and then a long standing what you say is 28 , which is correct AFTer TAx. , 37 pre. . that was our numbers. I was clear what i thought the transactions were worth. far less than full. alan etc. , had you said i will pay you only 20 . i would have said ill pass. you never told me that 50-60 the number that i put on the table at the very beginning was not right. you asked that i lay out my plan step by step. and what i believe would have been the fair thing to do is say to me, I will pay you only 20 if you do as i ask, not tell me for the first time only after i laid it all out . had it not been you, i would have required payment in escrow. BEFORE fyi the reason I sent you an invoice so that if you decided that you wanted me to continue this year . it would be applied to last years income. I think today was a beginiing for you. I am glad I will meet wendy the 23, rd, . separate and aprt from being your sounding board for personal issues, I do not see my involvment moving forward.

Date: Wed, Feb 10, 2016 at 12:56 AM
Subject: Fwd:
To: Melanie Spinella [redacted]
this was sent four months ago, nothing has changed
sent oct 15. before big transaction.
Office, - ada goes. , hire heather a paralegal . Joslin goes or is closely managed by new cfo with tax experience. . castrucii goes asap.as he merely adds to mess.(too many people , ex 7 people or more to pay a bill) eva goes. outsource as much as possible. . bookkeeping systems built from scratch, airplane restructure, boat . same, new grats. phaidon sale , decide on artspace survivability, regan, . do the kids really want these? , children accounting ie bens house.etc. re do estate for new facts. redo loans, trading accounts activity, . gaming -foreign- disclosures. . BRH TRA re thinks . household and construction architects. . redone. art partnership , choice of paintings. . re do structure of consultants. tax re family office. . decide if investments are a realistic option in the next three years.. insurance. operations. airplane , etc. . art foundation , private . max charity contributions. financial reports. still waiting. ? on line banking, . tax planning, family office deductions (profit center) . airplane certificate, redone jet aviation redo. . paper gigi (E)trust to avoid gift tax. .
Date: Thu, Mar 3, 2016 at 3:31 AM
Subject: ask alan why he hasnt explained this to you since novmebr
To: Melanie Spinella [redacted]

Tenancy in common is a type of shared ownership of property, where each owner owns a share of the property. Unlike in a joint tenancy, these shares can be of unequal size, and can be freely transfered to other owners both during life and via a will. Even if owners own unequal shares, however, all owners have the right to occupy and use all of the property.
Date: Sun, Mar 13, 2016 at 12:55 PM

Subject:
To: Melanie Spinella [redacted]

The fire drill documents received should be the final nail in the coffin of Alan and Ada, . It is inexcusable, , ludricrous and in brads words "insane "or yours, " unexplainable" that the two people that you refer to as your estate attnys , NEVER EVER took the time to actually read the documents that have the biggest efffect on your family and estate upon death or disablity, its impossible.!!! IMPOSSIBLE . after telling me that they were confident that everything had been read , and after years , of you telling me that Im not an attorney, it is clear that my telling you that you have c quality people was over generous, , I received a first draft of the summary of documents. you should read them for yourself. . executive committee issues. , unclear tax. contradictory provisions,your reps having to rely possibly on a fall back to delaware law to protect your interests, even suggesting that even if they would like to fall back , in some instances - no case law. other crazy- provisions that are personal to you , instead of you and your successor ? two pages of " open to interpretation" .or aha , maybe something is wrong! as ie, your rep, after death has no right for information on BRH? ! if you and another founder are dead , the exec commitee has no decision authority, if josh and mark want to fuck your heirs, its easy, black family partner docs dont deal with successionl YOU deserve better . fyi, after a month of brad ada and alan ,on the project, still not willing to share with me a final, they are all embarassed. and full of excuses .

It will take wendy and a new team 6 to 9 months to put your house in order. , new cash flows. new accounting system, airplane rethought, , you new hires can find deals , they can familiarize themselves with your current investments , but should not be doing the accounting for them, .
your will is still not amended, ?! the tenants in common not even explained to you. if something happens to you and debra, no real direction for the foundation. . etc

--
Date: Mon, Mar 21, 2016 at 4:17 AM
Subject:
To: Melanie Spinella [redacted]

glad to see you are personally on the mend - as well as the fence. -- As you know i dread money discussions with you-- however -we should address the issue of what you would like to do moving forward. re-do family office, accounting trusts , estate and apollo agreements . Along with your " payment " last year we agreed . no further obligations on each side. yes, i continued to moan. I realize that though I ve done quite a lot this year already , it is not your responsibility. . As you often like to remind me- you've paid a great deal of money to date. that being said - If you want my involvement moving foward, I suggest you pay my regular l fee of 40 m . 20 now . 20 on completion or as per the invoice issues at the end of last year pay 30 all at once. -

To help out . im keenly aware of your current cash position. so I will consider an in-kind payment - real estate (Miami), ,art , financing of my new plane (allows you to spread over years or of course the preferred cash. Get rid of Castrucci,it is over a year since the same story of findign the right guy at the top. you entire accounting needs to be re done. , office downsized, reporting re done. meetings to recitify, categlorize , the various docs re appollo , rowen , suydam, alan etc. Brad can direct investment guys, (hopefully) my people will be in your office for a few months . reorganizing IF you decide not to pay I fully understand, as I m sure you will re my no longer spending any serious time on these things.
Of course re any non financial issues , I am always there for you and will continue to be the best friend I can be .
Steve jobs said that everyday he woke up , and asked himself , if he knew he was going to die tomorow , would

he do the same thing that he had planned for the day- he wanted to check that he was doing things that he really wanted to. after three days of getting back an answer of no, he would change what he was going to do. . he also did not believe in LONG term plans. I dont think either one of us will figure out what we want to do long term so my thinking is that we should try to have fun everyday, and welcome serendipity.

I think another trust and estate lawyer should be brought in to deal with the issues of how not to allow your family to get screwed by your partners on death . Alan, for years told me that paul weiss had drawn the docs so no issue but when recently pushed by my new fire drill he asked akin to draft .?! PLease ask brad about why he keeps talking about flow . I dont know what he means, its so silly . . this is only about money control and protection .
I am leaving monday night now. free to speak in the afternoon

Date: Thu, Apr 28, 2016 at 1:55 PM
Subject:
To: Melanie Spinella [redacted]
Lets start. I am aware that you are currently angry at the world. . me, karp wechsler. even yourself, all willing absorbers of the current high heat. (though you ,calling me ,Debra , did take away some of the sting) I am sorry to see you this way.
emblematic ; I was asked to opine on whether to hire castrucci. an hour after I gave a preliminary yes. . I called you then texted you that i had thought more about it and changed my mind. The next day brad called and asked for my vote. I told him ,in no uncertain terms it is a no , I categorically vote no. I called you . you came to see me . I said it was a bad idea. you said you were going to do it anyway , I said and followed up in writing IT IS A MISTAKE . and added Please don't come back to me with anything suggesting otherwise , you and I should be clear I think it is wrong . A very strong NO . you of course can hire whomever you like.

early on I told you I thought Tom remarkably careless . Eilleen goofy and your art lawyer not well informed to say the least. you told me Tom was a senior partner. Eileen had headed the trading desk , and Ralph Lerner had to know what he was doing as he wrote the book. . I said I thought you deserved better ,should get better people and no , I am not an HR person. yesterday you told me that the reason you have hired whomver you could find was to avoid being dependent on me. a decision by far , not the best place to try to save money) Joslin- who you say I hired . I neither found nor hired. With a two person given choice I approved joslin over some woman that eileen preferred. against my repeated advice you and eileen decided the pay range at under 300k . I told you at that time that I would personally pay the difference for a higher quality person, that was years ago . I have sent over a hundred emails to you clearly saying he needs to be closely managed by better professionals. initially , that referred to Eillen and Ada.and after, brad. john etc. THere are many emails each and every month from me, telling you , he is slipping failing cracking fragile. . crazy, nuts, heading towards incompetence. Unless YOU- TAKE ACTION! when I pressured him for accurate numbers , you told him, to tell me, that he works for you and NOT for me. . When I continued to press for accuracy from your office , you told me that they were now all afraid of me and i should let brad communicate any requests, (you now tell me " we know what Brad is"?). When I told you you office needs to be reviewed and changed you told me i was being destructive rather than constructive. when i ultimately confronted joslin, in an attempt to protect you, told him that his numbers were wildly inaccurate , you told me that i had caused his ultimate resignation and now have an affirmative obligation to fill in the resultant gap.
I did give you a bad number , and apologized as soon as i realized it. an error that was an embarrassment for me , the fact that that the accurate number is still way below what you agreed to pay , has fallen by the wayside.(the preposterous argument that the end of year transaction was Alans idea , which you now know was not true and that me not receiving Phaidon documents was unexplainable. was your justification though, for non - full payment)
Hopefully You will recall that when you initially asked for my help. I declined repeatedly with the admonition that that having a financial arrangement is fraught with danger and could complitcate our friendship (as you will be unhappy paying what you will view as a large sum. while choosing to ignore

the financial benefits,). In Bedford , I repeated my concern. THe current circumstance is distressing to me , I have done my utmost to keep you safe. and will continue to do so. reckless choices in accounting or otherwise does not bode well. at each turn I have put your interests first , including in some instances attempting to fight your choices.
your current circumstance needs nuanced attention. as you know, there are a few areas with very serious consequences. whether it be , having Ada , form grats without review, brad doing phaidon without review. payments make without review.merely in order to be weaned , is one more high risk choice. review of outside accounting firms , CANNOT be done by brad. to have your accounting dept sit in on Alans trust accounting lecture . in order to learn the filed is reminiscent of elieen reading the tax regs. (she also was going to take a course)
I am here in New York today. should you like to resume

Date: Mon, May 2, 2016 at 12:51 AM
Subject: Fwd: Valuation Discount
To: Melanie Spinella [redacted]

Leon please read the attached proposed response to the IRS , see if you can understand it !!!. Ive asked for a re-do. and given prelimiary directions to Alan to have it edited over the weekend
. If you are quarterbacking ,ok with me. just please let everyone know. you must deal with the outrageous incompetence in your family office .. Alans words " but I was told that.. , but I was told by the office (sic) that ... , BUT i was told by joslin,. , but I was told by . " why is leon blaming me for .." . I ve have always given you my best advice, If you reflect on your financial life , you have been kept safe , had remarkable results and no disasters. I have repeatedly urged you to get rid of the people in your office. , you have repeatedly chosen to ignore my advice , you told me last week that the emotional reason was in order to be weaned off my group and not have to pay my high fees. (though ignoring the benefit of between 1.5 and 2b to the better.) . and no explosions. You have email after email ,where i remind you that I am not your bookkeeper or accountant (in brads corporate speak his" finance dept ??!!) that it should be redone .I have reviewed a multitude of the silly reports given to you and have pointed out the continued numerous inaccuracies . your question " so what if the numbers are off , so what if the categories are off. whats the big deal??. I suggest you de risk you finances and make the tough decisions necessary - pay the right amounts (high) to get the work done properly or , you are , Im afraid, certain to get an unhappy answer.. tom will be back from vacation. this week.

---------- Forwarded message ----------
From: Halperin, Alan S [redacted]
Date: Thu, Apr 28, 2016 at 5:16 PM
Subject: Valuation Discount
To: "jeffrey E." <jeevacation@gmail.com>
I am attaching a draft response from Empire Valuation as to why it arrived at a valuation discount on the low end. Let's discuss the response and next steps. Thanks. Alan
Date: Tue, May 10, 2016 at 12:38 AM
Subject:
To: Thomas Turrin [redacted]
did you get the agent?

Date: Wed, May 11, 2016 at 1:50 PM

Subject:
To: Brad Wechsler [redacted], Melanie Spinella [redacted]
grats 3,4, 5, 6, also need accounting documents and backup. year 2014. other info request to follow

Date: Wed, May 11, 2016 at 2:19 PM
Subject: Re:
To: "jeevacation@gmail.com" <jeevacation@gmail.com>, [redacted]
[redacted]
A couple of questions:
1. Jeffrey-you saw the format in which we organized the back-up for year one of grat 1 (quite thick/alot of back-up).
Does that format work (for you and internal use) or do you want it simplified/modified. Let's discuss.
2. Since this will take the focus and effort of a lot of people (just to pull and organize the various records...both legal and accting, I'd like to tell the staff that we are answering an "information request" from the irs on the grats. It will generally be helpful for them to know why the work is impt.
You and leon ok with this?
Will call you to discuss.

Date: Thu, May 12, 2016 at 12:17 PM
Subject: tight schedule lets try a set time to speak
To: Melanie Spinella [redacted]
Leon, you hired me to produce a work of art. it was not inexpensive. the value far exceeds any other piece in your collection.- by FAR . It took me 30 years to be able to craft such a work. I understand your desire to modifiy my work, in doing so you have brad telling me , just a bit more red., here let me show you, you yourself pick up a brush a add some strokes. you have joslin spray water on it to maintain it. I vigorously complain that joslin in ruining my work . . you describe me as zeus, i describe it as artist and a reaction to his work being ruined. however Im aware that you own the work and you have the right to paint over it. tear it up , put it in the closet in the basement . its yours.
I was told that Toms office is sending someone in ,or some people in, to review "some things." brad told me ,the partnership accounting. I know absolutely nothing more than that. though bringing in his team was my idea . Having them review things without even asking for my input , or let alone my direction ,is ridiculous. but.. I guess you wanted to save money. ?
The audit has brought to the fore the lack of your office quality that i have been violently squawking about. ie . children playing with works of art. . It is inconceivable to me that John castrucci is still there , joslin part time, but relied on . joe error prone and brad a corporate bandleader talking about the office's finance team, accounting dept, and directing wendy to do things that are clearly not in your interest. (saving money again ?) its nuts!! . a still non-existent IT dept. impossible , it was the first thing on my list of things that were needed to be done. Still no trading accounts to speak of , though its prophylactic quality has been discussed over and over during the past three years . computers do not read Page Six . the women at the IRS do. ! you said your motivation in keeping this group of part timers was a consequence of the high cost of my artwork. . the unfortunate result was easily predictable. - now
If you want my and my atelier to continue, I will oversee the audits. take charge of the TRA BRH assignments and review 2012 amendment options!!(note :your redo of the estate fire drill has not progressed very far). Lots of paper needs to be collected and reviewed, At MY direction. the outside team will be brought in at my expense working for me and you. coming in for interviews and reviews, . sucession, technology, tax and compliance. investment reporting , , computerized timelines for filings etc. . household classifcations and reporting with a system of best practices.
My goal is clear - to end, not extend , our financial interactions. you will have a machine that works , it will not be complexto oversee , to create it, is some thing else . Unfortunatley for us both, the price for my works has not changed since day one. 40m per year, I m willing to discount it to 35 as I did give you a bad number when asked and should pay an embarassment fine. Im also aware, as you made perfectly clear . that you have already paid what you consider a great deal of money, for my work , but again its value exceeds

anything else by far in your collection at a cost less than agreed upon. . please also remember that you and i agreed no more demands on my time after the last payment for the big transaction.
OR, you can decide that brad , tom , and whomever else you choose can screw with my work and they can oversee your audits . they are both aware and sensitive to the issue at hand. alan could be brought in but i would be extra careful having paul weiss given access to entire story.
_-On an unrelated note- you recently seemed shy to discuss certain things. , please be assured I make no judgement on any of your activities , whether or not i agree with them . not my role I am always on your side on the table. I hope your personal life quiets. you 've had a rough 15 months.

11:21 PM (13 hours ago)

to me
￼
Jeffrey,
I created applications one week ago at NDCAS (doctor of naturopathic medicine centralized application service) and VMCAS (veterinary medical college application service) ,working on my application material , requesting evaluations letters and etc.
On Tuesday I am going to the job interview, working on my resume today .
P.s.- I hope I will get finally the results from Chinese proficiency exam today /tomorrow.

On Sat, 7 Apr 2018 at 07:54, jeffrey E. <jeevacation@gmail.com> wrote:
no concrete progress. for a year. sorry, it cannot go on this way
Date: Wed, Jun 1, 2016 at 5:41 PM
Subject:
To: Melanie Spinella [redacted]
As i said yesterday, pointing out places where i think my friend might be taking unnecesarry risks has become tedious and trying. Structures that have been set up 2 years ago. were done so to give you protection and flexibility, NOT FOR ME< for YOU they required hiring stafff that could manage these complex entities. you told me over the past two years that as i set them up i should be responsible for their operation. That was never the deal , never. I have heard after -care etc for quite a while. in dec when you unilatierally decided to pay me much less than our agreed amount , we agreed NO MORE money discussions NO MORE after care. The silliness has reached its pinnacle when you suggest i am responsible for the lack of sophisticaiton and thoughtfulness of the 1031 transactions that NO one even told me about. asked my advice or gave me any notice at all before the fact. same as the structure for the CAlif house. I would remind you , though Heather is great, it was not she that modified the gagosian contract to give you the protection that resulted in your having no liablity, though you tell me she has done these things many times.
3. Remind me to talk to you about MR

Date: Tue, Nov 15, 2016 at 6:13 AM
Subject: Fwd:
To: Melanie Spinella [redacted]
Leon, Congragulations on biting the bullet. at least 18 months late , but I m encouraged and glad for you. When you interviewed Brad two years ago you asked that i not tell him what a disaster lay before him. what would you like me to tell Barry?
There is a HUGE amount of work to be done in the next 9 -12 months. mostly the exact same work that i outlined in my email of 2 years ago. now complicated by years of mess on top. (you can send it again if you like) . Brad wechsler was never up to the task . sorry, I realize I have been saying the very same thing for a long time. he was a not a step up from Eileen but a step sideways. in the beginning there was Eileen and Tom and Ralph Lerner. all your hand picks. then brad. john, Joe. . joslin was chosen from a pool of 2 people. each that would be limited by a salary of 250k. (yes i personally augmented his comp in order to get him) I did say hire both Lisa to do the bookkeeping and joslin tax, He complained for over a year , re his

direction by eileen and ada , and then brad. His breakdown was not a surprise after months and moths of warnings. Though disabled, he ran your office this year. with john and joe. He ran amok, and as i told you he rarely failed to remind me in our conversations that you told him that he works for you and not for me and that brad needs to pays him .

. Asking me who to hire , estate attny tax people etc. :

I have taken heat for years over the fact that i gave you no more than carlyns name, . no follow up questions no interactions , not even one single question asked of me re her work. (that was Eileen _) but somehow carlyns fuck up was my doing. . when i told you that i thought Eileen wasn't up to the task, you bellowed that i was talking out of both sides of my mouth. . You told me this year , that by trying to protect you from crazy joslin, I had in essence fired him and it was my responsibility to do his work. it then turns out that he didn't consider himself fired at all he just received less money. and continued to make a really dangerous mess. . Joshn castrucci, in your eyes , was also my doing , though email after email said , I take no responsibility for him,and iYOU SHOULD NOT HIRE HIM .!!! , , your response was that was my opinion was only because i didn't trust him. then to add insult to injury last jan you told me he was gone. however he too is still there, and a waste of money and space.

My time is complicated by Donald's potentially eviscerating any reason for anyone to use the foreign funds repatriation plan that i had put together. . however as you are aware I have some decisions to make re my time allocation in the next year or two. so at least for a few weeks I am unable to commit much time and make any future plans to guide you in the redoing of your procrastination produced mess.

That being said , the tasks at hand are the following.

You have a bomb of colored string that your retarded children have formed , It has to be very carefully unwound , even the substitution of Barry for your next trustee, needs a careful focus on procedure.s It would be much preferable if Wechsler was not his replacement. do you have any person you trust ??! . I am concerned re brad taking barrys place re XXXX. In the beginning Barry will need to find and learn ACCURATE . org charts. books , balance sheets . trust valuations. are all a part. Barry will need 2 months to just get his arm around what is there , this is before any needed modifications.,

a way overdue re- fresh of your estate plan . . clats , trust. partnerships. grats. llcs. bank accounts , filing requirements. etc. the long awaited review of the brh tra and shareholders agreement to see how they fit into new plan. . " XXXXX" planning. art partnership engagement .. , airplane re-do. , buying another. . ? boat sale , Miami sale. . TRADING ACCOUNTS. . three years over due. . an accounting system. fire john .. joslin stays for a year. or so. so does tom and . except for heather everyone should be replaced with new. . Sell Artspace and shut down regan arts. . rationalize. cash flow reporting. cash mgmt. stock sales. sec irs. gaming. foreign reporting. the 8865 mess will take months to review now . . you CANNOT file unreviewed audited documents. . CANNOT!!! this will be very detailed work. . a self inflicted wound - all avoidable if professionals had been in place to limit . or contain it. . . you will need 3 new hires .a s there is no one in your office that is truly an A player. I have great hope in Barry as you know. He will need to be trained. note

; One year is my guesstimate After 4 years of telling you , that you could do better than Halperin, : im glad that you now are willing to follow barrys advice . I take no offense , in fact I take comfort in the fact that after only one conversation with Barry you are now convinced to make that change . will take a year or more.

I expect as a friend you will understand that

I will no longer , not even for one day , work on your affairs . without the compensation that is long overdue. . your unilateral idea of after care , not imposed on any other professional , except me, not paul weiss ,(caesars alone , a direct screw up on their part) tom, akin, , no one. needs to end. . you and I had previously agreed no more of that , and this after you decided not to pay me per our agreement. to be fair I can not say im surprised as you have email after email , stating that , if you save a great deal of money, you wont want to pay , so limit it to 40m per year. - water under the bridge

If I can find the time to work , on your project , which is not by any means certain as I have said , I hope you understand that it now will have to be under my standard terms and conditions. and well documented so as to avoid any more of the he said she said. I never want to have any more uncomfortable money moments with you , I find it very distasteful. . so to be clear , my terms are as follows . I will only work for the usual 40 million per year. It needs to be paid, 25 million upon signing an agreement . 5 million every 2 months thereafter for 6 months ie march may june . this can begin if i am able in January. I will immediately stop work , if the payment is not received. If you want me to work this year until Jan 15 , it will be 10 million. paid upfront. after one year you will be left with a new estate plan a running office. staffed with professionals overseen by Barry. (hallelujah) a tax plan . and an investment that returns more than any painting you could possible own. . no agreement - no work. however - I of course will talk to Barry for the hour that i promised , and take your guidance as to what I should say.

11:45 PM (13 hours ago)
to me
￼
T
im in paris now

Date: Sun, May 1, 2016 at 6:51 PM
Subject: Fwd: Valuation Discount
To: Melanie Spinella[redacted]
Leon please read the attached proposed response to the IRS , see if you can understand it !!!. Ive asked for a re-do. and given prelimiary directions to Alan to have it edited over the weekend
. If you are quarterbacking ,ok with me. just please let everyone know. you must deal with the outrageous incompetence in your family office .. Alans words " but I was told that.. , but I was told by the office (sic) that ... , BUT i was told by joslin,. , but I was told by . " why is leon blaming me for .." . I ve have always given you my best advice, If you reflect on your financial life , you have been kept safe , had remarkable results and no disasters. I have repeatedly urged you to get rid of the people in your office. , you have repeatedly chosen to ignore my advice , you told me last week that the emotional reason was in order to be weaned off my group and not have to pay my high fees. (though ignoring the benefit of between 1.5 and 2b to the better.) . and no explosions. You have email after email ,where i remind you that I am not your bookkeeper or accountant (in brads corporate speak his" finance dept ??!!) that it should be redone .I have reviewed a multitude of the silly reports given to you and have pointed out the continued numerous inaccuracies . your question " so what if the numbers are off , so what if the categories are off. whats the big deal??. I suggest you de risk you finances and make the tough decisions necessary - pay the right amounts (high) to get the work done properly or , you are , Im afraid, certain to get an unhappy answer.. tom will be back from vacation. this week.
Date: Thu, Apr 28, 2016 at 5:16 PM
Subject: Valuation Discount
To: "jeffrey E." <jeevacation@gmail.com>

I am attaching a draft response from Empire Valuation as to why it arrived at a valuation discount on the low end. Let's discuss the response and next steps. Thanks. Alan
Alan S. Halperin | Partner Paul, Weiss, Rifkind, Wharton & Garrison LLP 1285 Avenue of the Americas | New York, NY 10019-6064 [redacted](Direct Phone) | [redacted] (Direct Fax) [redacted] | www.paulweiss.com

(10 hours ago)
to me
￼
Jeffrey
Pete informs the GIV is completed,.

Thx,

Larry
Date: Tue, Nov 15, 2016 at 6:13 AM
Subject: Fwd:
To: Melanie Spinella [redacted]

Leon, Congragulations on biting the bullet. at least 18 months late , but I m encouraged and glad for you. When you interviewed Brad two years ago you asked that i not tell him what a disaster lay before him. what would you like me to tell Barry?

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. Asking me who to hire , estate attny tax people etc. :
I have taken heat for years over the fact that i gave you no more than carlyns name, . no follow up questions no interactions , not even one single question asked of me re her work. (that was Eileen _) but somehow carlyns fuck up was my doing. . when i told you that i thought Eileen wasn't up to the task, you bellowed that i was talking out of both sides of my mouth. . You told me this year , that by trying to protect you from crazy joslin, I had in essence fired him and it was my responsibility to do his work. it then turns out that he didn't consider himself fired at all he just received less money. and continued to make a really dangerous mess. . Joshn castrucci, in your eyes , was also my doing , though email after email said , I take no responsibility for him,and iYOU SHOULD NOT HIRE HIM .!!! , , your response was that was my opinion was only because i didn't trust him. then to add insult to injury last jan you told me he was gone. however he too is still there, and a waste of money and space.

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I will no longer , not even for one day , work on your affairs . without the compensation that is long overdue. . your unilateral idea of after care , not imposed on any other professional , except me, not paul weiss ,(caesars alone , a direct screw up on their part) tom, akin, , no one. needs to end. . you and I had previously agreed no more of that , and this after you decided not to pay me per our agreement. to be fair I can not say im surprised as you have email after email , stating that , if you save a great deal of money, you wont want to pay , so limit it to 40m per year. - water under the bridge

If I can find the time to work , on your project , which is not by any means certain as I have said , I hope you understand that it now will have to be under my standard terms and conditions. and well documented so as to avoid any more of the he said she said. I never want to have any more uncomfortable money moments with you , I find it very distasteful. . so to be clear , my terms are as follows . I will only work for the usual 40 million per year. It needs to be paid, 25 million upon signing an agreement . 5 million every 2 months thereafter for 6 months ie march may june . this can begin if i am able in January. I will immediately stop work , if the payment is not received. If you want me to work this year until Jan 15 , it will be 10 million. paid upfront. after one year you will be left with a new estate plan a running office. staffed with professionals overseen by Barry. (hallelujah) a tax plan . and an investment that returns more than any painting you could possible own. . no agreement - no work. however - I of course will talk to Barry for the hour that i promised , and take your guidance as to what I should say.

1On Apr 6, 2018, at 11:15 AM, Jeskewitz, Jeannine [redacted] wrote:
I'm in touch with Lesley and [redacted], we will work together on these reservations.
All my best,Jeannine
On Tue, Apr 3, 2018 at 5:43 PM, Lisa Emelia Svensson <[redacted]> wrote:

Air France has a strejk ... so French
Trying to rebook later in the week Will let you know

3 apr. 2018 kl. 16:29 skrev jeffrey E. <jeevacation@gmail.com>:

im in paris now

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Subject: Fwd:
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Date: Mon, Aug 29, 2016 at 1:41 PM
Subject: I know you have a lot on your mind.but..
To: Melanie Spinella [redacted]
sent to you JAN 29th 2016

you've agreed that
Your office is a multi billion dollar responsibility. your children will inherit it , in order to oversee their financial lives- I feel for you, truly ,but the facts are the facts, your ceo (Brad) has provided one bad document after another for over a year , no getting away from it, , bad cash flows no new IT, each time with " its gettting better " no in fact -! its not. - the excuse, that Brad is not the numbers guy, is ludicrous. of course he didnt actually prepare the statements. - no ceo would ,- but over and over he presented them to you and me , after , holding them back for his personal review multiple times and after multiple drafts. weeks of his editing, the consistant but "inexplicable "missing the obvious serious errors . (gaming) inaccuracies, (cashflow) and mistakes (tax returns). why, ?! the simple answer is that at best, he is a c minus, (note. I, like you ,also give points for effort.)- ! an elegant art partnership gone fallow. ??!!I and its core reason to exist. not used ? no docs for plane?, still ! why? no docs for decantings why? the docs for deal 1 received last night , " no docs at all for deal 2, the biggest " . why wasn't Tom brought in , after 4 times of my incessant reminders your admonition etc. the trading accounts ?
Barry Cohen is great. more like him please .
you asked , - I did my best trying to train your brad chosen people in the face of my telling you that they were never going to be more than c-minuses, thousands of emails thousands ? Brad at its head . you can't as a ceo, have an accountant give you multiple pages with the most important numbers missing altogether and not notice, you and I saw the errrors right away ,as did my very junior bookeeper after only a cursory glance. He told me he didnt know the details of his note? ! , my guess is that he wanted to pay less. no more than that, any other story is blather. its silly. Talk to richard yourself.
re your estate. Yes another Brad issue - your will, needs revision. the tenants in common structure I assume Alan has carefully walked you through. it is way overdue, needed and exciting. I won't list the more serious issues in an email but we can speak over the weekend.
How can I help? We agreed at the time when you hired Castrucci , that when you fired him, I would bear no responsibility

Date: Thu, May 12, 2016 at 6:17 AM
Subject: tight schedule lets try a set time to speak
To: Melanie Spinella [redacted]
Leon, you hired me to produce a work of art. it was not inexpensive. the value far exceeds any other piece in your collection.- by FAR . It took me 30 years to be able to craft such a work. I understand your desire to modifiy my work, in doing so you have brad telling me , just a bit more red., here let me show you, you yourself pick up a brush a add some strokes. you have joslin spray water on it to maintain it. I vigorously complain that joslin in ruining my work . . you describe me as zeus, i describe it as artist and a reaction to his work being ruined. however Im aware that you own the work and you have the right to paint over it. tear it up , put it in the closet in the basement . its yours.

I was told that Toms office is sending someone in ,or some people in, to review "some things." brad told me ,the partnership accounting. I know absolutely nothing more than that. though bringing in his team was my idea . Having them review things without even asking for my input , or let alone my direction ,is ridiculous. but.. I

guess you wanted to save money. ?
The audit has brought to the fore the lack of your office quality that i have been violently squawking about. ie . children playing with works of art. . It is inconceivable to me that John castrucci is still there , joslin part time, but relied on . joe error prone and brad a corporate bandleader talking about the office's finance team, accounting dept, and directing wendy to do things that are clearly not in your interest. (saving money again ?) its nuts!! . a still non-existent IT dept. impossible , it was the first thing on my list of things that were needed to be done. Still no trading accounts to speak of , though its prophylactic quality has been discussed over and over during the past three years . computers do not read Page Six . the women at the IRS do. ! you said your motivation in keeping this group of part timers was a consequence of the high cost of my artwork. . the unfortunate result was easily predictable. - now

If you want my and my atelier to continue, I will oversee the audits. take charge of the TRA BRH assignments and review 2012 amendment options!!(note :your redo of the estate fire drill has not progressed very far). Lots of paper needs to be collected and reviewed, At MY direction. the outside team will be brought in at my expense working for me and you. coming in for interviews and reviews, . sucession, technology, tax and compliance. investment reporting , , computerized timelines for filings etc. . household classifcations and reporting with a system of best practices.

My goal is clear - to end, not extend , our financial interactions. you will have a machine that works , it will not be complexto oversee , to create it, is some thing else . Unfortunatley for us both, the price for my works has not changed since day one. 40m per year, I m willing to discount it to 35 as I did give you a bad number when asked and should pay an embarassment fine. Im also aware, as you made perfectly clear . that you have already paid what you consider a great deal of money, for my work , but again its value exceeds anything else by far in your collection at a cost less than agreed upon. . please also remember that you and i agreed no more demands on my time after the last payment for the big transaction.

OR, you can decide that brad , tom , and whomever else you choose can screw with my work and they can oversee your audits . they are both aware and sensitive to the issue at hand. alan could be brought in but i would be extra careful having paul weiss given access to entire story.

_-On an unrelated note- you recently seemed shy to discuss certain things. , please be assured I make no judgement on any of your activities , whether or not i agree with them . not my role I am always on your side on the table. I hope your personal life quiets. you 've had a rough 15 months.
3. Remind me to talk to you about MR
Date: Mon, Sep 19, 2016 at 8:56 PM
Subject:
To: Melanie Spinella [redacted]

dec 2015
IT, still desperately needed- reporting flawed cumbersome and inaccurate . all done by hand as one -off exercises , - airplane: re structure, (my only suggested priority in june) is really ,no further ahead, ,consultants up the kazoo but nothing at all done.(the office was told that i cannot even see the proposals received without brads specific authorization) - brad has no idea even as to what questions to ask. he knows little of finance, is run roughshod over by almost everyone in the office. he is a little man , using your power, to appear larger . Eileen was self aware enough to know she was over her head , that is a huge difference. bad info is rampant ie 3 million in deductions Im told are taken for art space but on closer examination it turns out they cannot be used at all. (ZERO benefit) though you will be told yes they were deducted on the return they said that is the question they get asked ! " were they deducted " not -" is there a benefit " !! I asked for the balance sheet and P and L for Regan arts , a basic first step in order to check your financials. "sorry we never got one?" though 9.8 million invested, no p&l, nothing , a construction project run amok , no budget, the coo fired after only 3 months. , no clue . I can add that artspace financials are also a total mess.

As your friend and in order toturn the page. I will try to be constructive
The following is a list of things I think would be in your interest to get done asap .but definitely not by me .

i suggest you form new grats. , hire a high level tax partner. use your trading accounts as they remain the paramount requirement 16 months after i emailed to you their importance. , I suggest you consider having the 49percent of phaidon merged into artspance and have Richard buy artspace. re-do bank loans. no need to pay interest at higher rates on boat or plane. . as Richard is now no longer trustee. re- do will, make suydam executor , with Barry, and john as back up. pay 1 million a year for executor role. get rid of Judy Black trust, deal with gifts and their tax returns, . review amounts to kids at fixed ages. put more protections in for Alex and Victoria. , distribute some money to kids let them make decisions. , decide art division with children in attendance . have fire drill done on estate. fill out estate returns as if you and Debra died today, choose advisers - rick bronstein said the only 1040 he ever filled out was his own. (this is brads chosen advisor??!) Halperin has a conflict that should be addressed., Debra should enter a tenants in common agreement with kids. you have airplane consultants tax consultants it consultants. plane operation consultant. . boat consultants. architects, lighting , art, legal, . foundation , deal with TRA , BRH , rationalize investments. cash flow. reporting, gaming disclosures. foreign, gift. . prepare tax projections for 15 and 16, . deal with neg basis (tufts gain, debt financed. art partnership, pledges. sell stock , art, deal with phaidon debt. athene,? income , capital , foreign , exit, corporate, insurance regs, out and inbound issues, basis, appropriate discount rates. ? terminations. control. , qualified dividends. corporate tolls, inversion rules. , grat issues, short swing and other sec disclosures, Rothshcild bank, 150 b they have a distribution network with no products , private bank Rockefeller Rothschild. financial service. deal with UK visa issue sooner rather than later. we can talk about Rowen request re Athene , 2 billion in taxes on transaction. ?!

the facts as i see them

in June and then again Sept, we both agreed to a 50% of phaidon payout., then after weeks of thinking about the issue (which I fully understand) . the payout was unilaterally changed . 5m woudl be reserved for the future ? . and out of the remaining 15m ,? i would receive only 5. (note : I'm confident that both the debt , and the artspace investment will also lead to a write off of another 30 m. plus) In my dining room ,you were surprised when I said that i require most people to pay their advisory fee up front so that I am assured that I will be properly compensated for my work when strategies that I devise are implemented . you may recall that you appeared offended and said " are you suggesting that i would go back on my word " I said no , of course not ! you are my closest of friends ,but my experience is that when amounts get large, people tend to get unhappy when it actually comes time for them to pay ,.

From day zero a 50 - 60 million price was attached as the fair price of the transaction just completed . though this amount was already substantially less thanour agreed and negotiated formula. - I was never told that this was out of range. in fact, alternative methods of payment . plane -in-kind etc, were discussed (ie keeping the 30m portion of fee outstanding till March) ,I provided as requested a detailed step by step execution plan and reviewed all documents that i was given access to. (Phaidon was not forthcoming) in order to make my many corrections . I was then told that Alans involvement warranted a discount . Even in the best of light , though it is beyond question that not one-,not -one time in three years has he ever proposed a unique idea. (including the new tenant in common idea,) and lets say he made a contribution to the plan andeven that it was 50 %. though no one could posit such a large amount unless they were wearing a brightly colored clown suit. , the price of doing the deal was known . It had both sent in writing and spoken about on the phone numerous times , a detailed execution plan was provided . then and only then after all was laid out for the group I was told that after a number of conversations with brad karp that only 20m would be paid , (and even that was more than originally contemplated) for both transactions . I feel It was remarkably unfair. Did brad even know of our prior agreement.? I called him and he said he was never told.?, I would ask that you I and Brad karp sit together if you think it would be helpful. . I would like to send him this email, with your consent of course. If the transactions were never consummated , i would not be owed a dime, however , the price was known up front. , the detailed step by step plan was followed and overseen by me, the price that had been requested before the transaction was begun, and had lready heavily discounted, out of friendship, from our agreement . I believe the decision re paying only 20 m has frankly left me felling quite uneasy.

since you asked since last nov. i found 11 million dollars in dormant accounts. 4 million dollars in eileens drawer. . went through cash flows for phaidon shwoing that john murphy is not an accountant. redid your gagosian contract , . organized structure in case of divorce. set up gift trust. stopped ada from including multiple times things not in your interest. dealt with bad sales tax use tax income tax . created 8 millino in deductions ,500k in mistakes , found bank of scotland fbar problems, . . reorg bad art purchases , funds taken, , charibale decustions , helped with fincnacil sttment gamoing commions fling. . boat deductions, rescued stock from grats. . may 1 after months of brad not finding anyone i sent an email saying you would have to pay more. . on april 15. I sent an email detailing payments owed if i could figure out the basis issue, please see attached, .

questions you might ask your team ask them to provide a balance sheet or p&l for REgan arts. . doesnt exist ask . either wechsler or haperin to tell you what brh is, or how the tra works. . . ? as bronstein to tell you why the proposed phaidon transaction DOES not work. . as them to give you a plan for the plane. ? ask them to show you the cash mgmt for over 100 million dollars. . ask them to show you the IT system progress after one year. . the approval process for payables. . the cash flow projections? assumptions? ask for a comparative review of investments. ask haperin to describle to you in any detail BRH , the major asset of his two biggest clients. tax basis, disposiotion in the estate. . etc. ask brad to show you the liquidation of the inteveing art space cos? .

Last year you asked , for my help I told you I preferred not as we would be better off having no financial intereactions. the risk was not worth it. You told me that as my friend i had to do it I agreed., here we are in what I find to be an awkward situation. the transactions that i decvised were used , our agreement was ignored. and im not sure how to respond.

Date: Thu, Sep 29, 2016 at 11:47 AM
Subject: new info
To: Brad S Karp[redacted] Melanie Spinella [redacted]
brad, leon.
After I spoke to you both, I excused myself from a dinner with some heads of state to walk into the bathroom to make some calls re 8865. I wondered whether any group that we could assert had control had filed in the past years. I called Fenn and he told me- yes.???!! he said that on friday , for the first time he learned that AGM was not delinquent at all. and had filed. !! I asked why no one had ever told me or given me the purported justification for no filings in the past for the founders. and he said Well, sorry , it was discussed on fridays call. ? the call i was not on . not invited to ,the call wechsler didnt listen in and joslin didnt transmit , if it is true. Im also now told there is a note from Deloitte re 13 and 14 that says the founders DO NOT have to file. but fenn could not tell me who wrote it and said Deloitte says to ignore it. , that s why they are pushing now.

steps 1 8865 has many exemptions for filing. let see if we can find one . (an elegant position might be josh and agm if he is panicked and leave us out). The requirments are FACT specific , so without the facts we still have nothing. fenn said he has now put someone on it

2 leon , I suggest need to focus on 1040 , 2015. , we may even consider filing the minimum 8865 , and wait until we are sure of our specific requirements, and file an amendment for 15 as well as past. no harm no foul\

Date: Thu, Sep 29, 2016 at 12:34 PM
Subject:
To: Melanie Spinella [redacted]
Leon, I am on the verge of giving up. sorry. I cannot deal with the major incompetence of your family office. I have been vocal about change. you have made none. john castrucci, still involved etc. the bullshit corporate speak, of -our accounting dept , our bookeeping dept our finance dept, the comptroller . now gives me responses that --we have heard from Deloitte , I ask, who at Deloite?. -- dont know , the new team at Deloite says the old team was wrong ! what new team? what old team? -- dont know. . Pwc agrees who at

PWC , ? ? I ask ,- dont know. BDO is almost finished - who, ? dont know; . akin gump agrees. . Fenn? - not sure.

I have spoken to each of karp , pezner, fenn, brad. joslin, bodian. multiple times . like your office no one in charge with knowledge. so rudderless hysteria . silly beyond belief as this issue is a non event. other issues have been shunted aside that have real consequences. I know you are jet lagged. I am schedule tightly today , but can free myself for 15 minutes if you want . if so have melanie talk to lesley

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Date: Monday, 3 October 2016
Subject:
To: Jeffrey Epstein <jeevacation@gmail.com>

alan told me you are going to meet tomorrow morning . He has asked me to review the presentation. I suggest you see for yourself . since you argued that he was partial architect of the big transaction. you will see. -- bad numbers. unclear assumptions. opaque presentation. no alternatives. no review of agreements. standardized schedules without names , handed out to the dentists. . NOT even up to date inputed numbers , why in the world would they present numbers 4 months old. ??!!/ it is only imputs. dividend assupmtions. a mix of silliness. (art given to museums is listed as cash out). discount rates of 13.05 %. what type of number. . 100k for illness expense and funeral, in a spread sheet of 5 billion dollars.? insurance numbers left out. says debra owns half the boat? taxes? all a waste of time

A clat probabaly makes sense. however who runs it, if interest rates change. did you give them the assunptions on growth?

Date: Sun, May 1, 2016 at 6:51 PM
Subject: Fwd: Valuation Discount
To: Melanie Spinella [redacted]

Leon please read the attached proposed response to the IRS , see if you can understand it !!!. Ive asked for a re-do. and given prelimiary directions to Alan to have it edited over the weekend . If you are quarterbacking ,ok with me. just please let everyone know. you must deal with the outrageous incompetence in your family office .. Alans words " but I was told that.. , but I was told by the office (sic) that ... , BUT i was told by joslin,. , but I was told by . " why is leon blaming me for .." . I ve have always given you my best advice, If you reflect on your financial life , you have been kept safe , had remarkable results and no disasters. I have repeatedly urged you to get rid of the people in your office. , you have repeatedly chosen to ignore my advice , you told me last week that the emotional reason was in order to be weaned off my group and not have to pay my high fees. (though ignoring the benefit of between 1.5 and 2b to the better.) . and no explosions. You have email after email ,where i remind you that I am not your bookkeeper or accountant (in brads corporate speak his" finance dept ??!!) that it should be redone .I have reviewed a multitude of the silly reports given to you and have pointed out the continued numerous inaccuracies . your question " so what if the numbers are off , so what if the categories are off. whats the big deal??. I suggest you de risk you finances and make the tough decisions necessary - pay the right amounts (high) to get the work done properly or , you are , Im afraid, certain to get an unhappy answer.. tom will be back from vacation. this week.

Date: Thu, Apr 28, 2016 at 5:16 PM
Subject: Valuation Discount
To: "jeffrey E." <jeevacation@gmail.com>

I am attaching a draft response from Empire Valuation as to why it arrived at a valuation discount on the low end. Let’s discuss the response and next steps. Thanks. Alan

Date: Wed, Nov 9, 2016 at 10:27 PM
Subject:
To: Melanie Spinella [redacted]

sorry, I can call on thurs or sit face to face fri afternoon. . I will be in ny until monday morning. decisions- questions good news . I have a really elegant solution for most of the following, 1 gift tax. cash or in kind . 2 . 1031. 3 fire drill brh tra etc. 4 . xxxx 5. 8865 s.

tax planing running out of time. . 7 restructure office . barry? brad told me he thought you had acknowledged high value this year. gift tax audit etc. , . April, Oct. . returns. manage joslin , who is still running your tax dept .

you and I need not rehash old postures, its tedious - I would ask that you tell me if you intend to pay for the work that was done, and for the work you expect to be done, . thanks

Date: Tue, Nov 15, 2016 at 12:13 PM
Subject: Fwd:
To: Melanie Spinella[redacted]

Leon, Congragulations on biting the bullet. at least 18 months late , but I m encouraged and glad for you. When you interviewed Brad two years ago you asked that i not tell him what a disaster lay before him. what would you like me to tell Barry?

There is a HUGE amount of work to be done in the next 9 -12 months. mostly the exact same work that i outlined in my email of 2 years ago. now complicated by years of mess on top. (you can send it again if you like) . Brad wechsler was never up to the task . sorry, I realize I have been saying the very same thing for a long time. he was a not a step up from Eileen but a step sideways. in the beginning there was Eileen and Tom and Ralph Lerner. all your hand picks. then brad. john, Joe. . joslin was chosen from a pool of 2 people. each that would be limited by a salary of 250k. (yes i personally augmented his comp in order to get him) I did say hire both Lisa to do the bookkeeping and joslin tax, He complained for over a year , re his direction by eileen and ada , and then brad. His breakdown was not a surprise after months and moths of warnings. Though disabled, he ran your office this year. with john and joe. He ran amok, and as i told you he rarely failed to remind me in our conversations that you told him that he works for you and not for me and that brad needs to pays him .

. Asking me who to hire , estate attny tax people etc. :
I have taken heat for years over the fact that i gave you no more than carlyns name, . no follow up questions no interactions , not even one single question asked of me re her work. (that was Eileen _) but somehow carlyns fuck up was my doing. . when i told you that i thought Eileen wasn't up to the task, you bellowed that i was talking out of both sides of my mouth. . You told me this year , that by trying to protect you from crazy joslin, I had in essence fired him and it was my responsibility to do his work. it then turns out that he didn't consider himself fired at all he just received less money. and continued to make a really dangerous mess. . Joshn castrucci, in your eyes , was also my doing , though email after email said , I take no responsibility for him,and iYOU SHOULD NOT HIRE HIM .!!! , , your response was that was my opinion was only because i didn't trust him. then to add insult to injury last jan you told me he was gone. however he too is still there, and a waste of money and space.

My time is complicated by Donald's potentially eviscerating any reason for anyone to use the foreign funds repatriation plan that i had put together. . however as you are aware I have some decisions to make re my time allocation in the next year or two. so at least for a few weeks I am unable to commit much time and make any future plans to guide you in the redoing of your procrastination produced mess.

That being said , the tasks at hand are the following.
You have a bomb of colored string that your retarded children have formed , It has to be very carefully unwound , even the substitution of Barry for your next trustee, needs a careful focus on procedure.s It would be much preferable if Wechsler was not his replacement. do you have any person you trust ??! . I am concerned re brad taking barrys place re XXXX. In the beginning Barry will need to find and learn ACCURATE . org charts. books , balance sheets . trust valuations. are all a part. Barry will need 2 months to just get his arm around what is there , this is before any needed modifications.,

a way overdue re- fresh of your estate plan . . clats , trust. partnerships. grats. llcs. bank accounts , filing requirements. etc. the long awaited review of the brh tra and shareholders agreement to see how they fit into new plan. . " XXXXX" planning. art partnership engagement .. , airplane re-do. , buying another. . ? boat sale , Miami sale. . TRADING ACCOUNTS. . three years over due. . an accounting system. fire john .. joslin stays for a year. or so. so does tom and . except for heather everyone should be replaced with new. . Sell Artspace and shut down regan arts. . rationalize. cash flow reporting. cash mgmt. stock

sales. sec irs. gaming. foreign reporting. the 8865 mess will take months to review now . . you CANNOT file unreviewed audited documents. . CANNOT!!! this will be very detailed work. . a self inflicted wound - all avoidable if professionals had been in place to limit . or contain it. . . you will need 3 new hires .a s there is no one in your office that is truly an A player. I have great hope in Barry as you know. He will need to be trained. note
; One year is my guesstimate After 4 years of telling you , that you could do better than Halperin, : im glad that you now are willing to follow barrys advice . I take no offense , in fact I take comfort in the fact that after only one conversation with Barry you are now convinced to make that change . will take a year or more.

I expect as a friend you will understand that

I will no longer , not even for one day , work on your affairs . without the compensation that is long overdue. . your unilateral idea of after care , not imposed on any other professional , except me, not paul weiss ,(caesars alone , a direct screw up on their part) tom, akin, , no one. needs to end. . you and I had previously agreed no more of that , and this after you decided not to pay me per our agreement. to be fair I can not say im surprised as you have email after email , stating that , if you save a great deal of money, you wont want to pay , so limit it to 40m per year. - water under the bridge

If I can find the time to work , on your project , which is not by any means certain as I have said , I hope you understand that it now will have to be under my standard terms and conditions. and well documented so as to avoid any more of the he said she said. I never want to have any more uncomfortable money moments with you , I find it very distasteful. . so to be clear , my terms are as follows . I will only work for the usual 40 million per year. It needs to be paid, 25 million upon signing an agreement . 5 million every 2 months thereafter for 6 months ie march may june . this can begin if i am able in January. I will immediately stop work , if the payment is not received. If you want me to work this year until Jan 15 , it will be 10 million. paid upfront. after one year you will be left with a new estate plan a running office. staffed with professionals overseen by Barry. (hallelujah) a tax plan . and an investment that returns more than any painting you could possible own. . no agreement - no work. however - I of course will talk to Barry for the hour that i promised , and take your guidance as to what I should say.

Date: Tue, Nov 29, 2016 at 1:27 AM
Subject: so there is no misunderstanding
To: Melanie Spinella [redacted]

I have told the brads and barry,- I am done. its not a negotiation , out !! - fyi given my carlyn joslin castrucci, admonishments,- though my involvement in those - in one instance only gave a name - in another only given an eileen dictated choice btween two 250k preparers. and for castrucci, I actually sent emails that i take no responsiblity for his being hired. - however you felt strongly that I should be saddled with their outcomes .even with brad wechsler , i again said two months in, Leon, he doesnt get it. I tell you this so that you will understand that I will not interview, recommend or vet any new hire.
A story - In 1993 trump and I had a friend that kept telling his pilots how to fly , and when to fly , he couldnt help himself from hiring morons as co pilots, and maintenance people based on cheapest rates. Donald and I tried and tried to talk some sense into him, to no avail. Donald and I were in aspen, sitting at little nells. when the friends plane crashed into the side of aspen mountain , klliing him and all on board,- Trump looked at me and said without a blink , I guess NOW he wishes he would have listened to us.- a metaphor for your office. . . had we not waited to the very last hour having had a six month window and tens of unasnwered text and emails re decisions needed including the 1031. you would have saved way more than you often feel obliged to argue about. . silly but i reallize you are stressed.
Barry will need to sit with brad for months, to absorb all the co's , structures. cash flow, financial statments etc. I will present barry my thoughts on the overall redo , it will be the exact same email that i presented to you and brad two years.ago . accurate numbers first. and foremost. . (last week gaming report stil funky). IT etc I pointed out some of the more glaring errors to barry to give him a flavor of what is to come.

Tuesday if you like we should discuss Giacometti , and pesner . difficult to finesse him if they are filing documents that you won't . these ridiculous conversations with tons of people on the phone , removes any claim you might have to not be considered a WILLFUL NON-FILER . (after youve been told by attnys and pwc that you should file in writing , you have NO choice) .. worst possible result - including serious penalties up the kazoo.

Date: Tue, Feb 24, 2015 at 8:20 AM
Subject:
To: Melanie Spinella <[redacted]
Leon,

Yesterday , I again spent hours upon hours of my time with your office. ,(speak to brad to get flavor) and you and i will discuss the results in gory gruesome detail on Friday. it mirrored many other weeks spent doing the things that I don;t have the time to do.

In order to keep things in perspective, maybe reviewing an analogy I have used before with you, might be helpful. You and your family are a 6 billion dollar corp. with an income between 250 -500 million dollars per year. It contains a few operating biz's , a large wide array of existing investments, in various categories , a desire to enter into others. A panoply of loans, notes. purchases, wide range of all types of taxes. , planes. boats homes. . trusts ,grats. a crazy number of bank accts. (with no oversight) . law firms, acct firms, 800 page tax returns, foreign firms. art consultants. construction consultants bill payers, home mgmt.,vast multitude of llc's , including foreign, and with all that you only have a combined overhead of less that 3 million dollars.

I have previously sent you the very same note that i have enclosed again below ,this time with highlights . I wrote it to you over a year ago. As my acute disability (selective memory) seems to have been raised as one of your concerns , as a rule I try to memorialize things in writing in an attempt to lay out issues that I fear may later turn out to be a problem. ie what i would and wouldn't do , - my responsibilities. etc and those things that are not. below you will find details of things that I thought needed to be done, so that you wouldn't find yourself in the very place where you currently find yourself. however ,you chose to defer many of my suggestions- see below -,until only weeks ago. ! you chose to defer the jpm acct. the art partnership on and on - into this year. and though the 60- 50 40 timber emails all carried with it a clear warning that you needed to do something re personnel if it were to stabilize,- you chose to wait.

ONE YEAR AGO
Feb 17 2014 i wrote :

With regard the more pressing issue I am uncertain of just how to proceed. I am torn, as my very strong inclination is not to be involved at all . It is extremely time consuming, delicate, fraught with many pitfall many that will make you very upset and a major pain in the ass. I wrote you months ago that the quality of the people involved need to be upgraded. (lucky for me these last issues arose way before the beginning of my involvement) I am also aware however of my overarching friendship obligations of ok, -given all the complexities who else can do it? problem.

Your family office needs a daddy. children with good intentions are running around , sniping , nitpicking with little direction. As a stopgap measure I am suggesting , we put in Larry Delson to take charge Everyone would report to him. Eileen included. He would however work for me. this is not, by a long shot my first choice as I prefer only being responsible and standing behind my own personal work (ie the word DONE will no longer be transmitted to reflect status stated by others)

With no commitment on my part whatsoever, to do it. So far as I have failed in my attempt in trying to think through the problem creatively . My organizations handling of the more complex issues I believe you might find very costly, very ! (however many structures available some risk sharing, maybe risk caps ,etc) but would require my teams doing the work , not yours. Ada should be only a trust, grat administrator. not sure what role you prefer for Eileen as you hired her initially to oversee investments. whether Rich your controller stays or not, is not urgent. having Tom report to a new person,- is. coordination with Suydam Kathy Gregory, I would suggest limiting to one person. The increasing public profile needs to be taken into consideration.

TODAY

With your acquiesence , Eileen did not report to Delson (he acting as a conduit directly to me) , she continued to provide bad info to both you (cash flows , stock accts, structures. sales Etc) and me. and each time with my many annoying calls to you made immediately afterwards that she was g.....y !! No one was hired to run YOUR office until two months ago , no one was even interviewed and even now , Brad, a very nice man, is not even full time,(crazy) Hours upon hours of time need to be spent training him . and his new staff. Eileen followed your instructions. not mine. in fact she continued to ignore mine saying " but Leon said " or " its on Leon's desk etc " , You would become frustrated when i pointed out each instance. of her obfuscation. originally you were given the clear choice, but to save money ,you chose not to hire my team . I was hired to do the architecture, you kept your own team. with Eileen at the head. instructions were given by me, , detailed but ignored by her. (except in the instances where I inserted myself and personally had to do the weeks of grunt work),ex. jpm morgan acct still not in use? That being said, If you do the cold calculation ,starting from where you were, to where you are currently . you have made a hell of a deal. -- negotiating down my original amount requested , calling upon our friendship and suggesting that the Carlyn mess was partially my fault. (though in that specific example , I had never been asked to do more than merely provide you the name of the most highly recognized atty in the field, not consulted,nor even asked again for my guidance along the way.). I accepted the discount as your friend. (by the way ,,suggesting now, that your Tom is now that last word on tax characterization, frankly is a bit much,-). however - that is all in the past.

In order to move forward

I would ask that you realize that very unlike yours, My business is only comprised of my personal attention and my personal time . Time that I was forced to grossly overspend on your various issues last year. . As you are my very close friend I will not have you participate in a bidding process that I have decided i will have this year for my time . (hopefully a more fair way to allocate) I would also ask that you keep in mind that though our deal expired months ago. (also keeping in mind , that your understanding of the final payment terms neither reflected the emails or my memory, we finished it up your way.) I have answered every call Brad , joslin, Ada or you, have made . reviewed docs over and over/ until once again, I was forced to insert myself strongly as I thought it dangerous not to. I made serious dollar and time concessions last year.very serious I am wiling to continue to accommodate some of your concerns , but I am, under no circumstances , none, willing to spend my time for free. its not fair. After cleaning up Carlyn's mess , which was a few weeks and 30 million dollars . We were both highly aware of the dire circumstances in which you found yourself last year, and in fact due predominately to its seriousness. and those very circumstances I took extra care in our negotiations . (you had claimed I had you over a barrel , (a horrible position to be in with my very close friend.), unfortunately I fear that if you are not cautious ,in the near future, another barrel will appear of your own design)

I heard you when you said you believed i had already been paid for the work that is now required. The art partnership has fully answered all your concerns and discharged all my obligations and more so. . (FYI Carlyns art partnership that you referenced is similar in only its title.) You will also recall that you required that my payments be at the end of my work not at the beginning as everyone else's .(my work was never to include hours upon hours of training your staff). I eventually agreed, this of course should make clear that the 2014 tax year that will close Oct 2015 is not covered by our past agreement at all. I pointed this very fact out to you when I initially proposed a multi year agreement right out of the box. you said you preferred not. As you said ,I have produced results to date, far in excess of even my own exalted opinion of my projections. I have devoted a monumental amount of my limited amount of time-- way, way in excess of our agreement. I will be fair, I am willing to roll in the amount still outstanding from last year if that helps .. However, As my best student , and my only one, you are now capable of doing most, if not all, of the required work yourself. I can put my whiteboard away when you come to eat and just have fun, trade stories,. share moments ideas etc. . I am of course always available to guide you as a friend if you choose that route . always . It will take a great deal of your time , but you will not have to spend any more money on mine .

We are scheduled to meet fri at 430 , I leave at 5 am sat morning.

Date: Tue, Mar 21, 2017 at 6:58 PM
Subject: Fwd: request for docs - AAP
To: Richard Kahn <[redacted]>, Darren Indyke <[redacted]>
not for now. but maybe later ,
---------- Forwarded message ----------
From: Ada Clapp [redacted]

Date: Fri, Mar 17, 2017 at 10:45 AM
Subject: RE: request for docs - AAP
To: "Barry J. Cohen" [redacted]>, "jeffrey E." <jeevacation@gmail.com>
Cc: Brad Wechsler [redacted]
Attached are:

1. Executed Version of AAP
2. Most Current Draft of AAP
3. Redline of 1 against 2
4. Summary of AAP from Vanessa Eng

-----Original Message-----
From: Barry J. Cohen [mailto [redacted]
Sent: Friday, March 17, 2017 8:07 AM
To: jeffrey E. <jeevacation@gmail.com>
Cc: Brad Wechsler [redacted] Melanie Spinella [redacted]; Ada Clapp
[redacted]
Subject: request for docs
I will organize. Copying Ada who has a lot of this.
Sent from my iPhone
On Mar 17, 2017, at 7:25 AM, jeffrey E. <jeevacation@gmail.com<mailto:jeevacation@gmail.com>> wrote:

can you send me latest bank art loan docs. BRH agreement . TRA agreement , agreement amongst shareholders. . , org chart for phaidon , art space and regan arts. . . , ownership only, . - list of invetsments , ownership of l.a. house.structure, / list of art by highest gain. . -

Date: Tue, Dec 29, 2015 at 7:26 AM
Subject: Fwd: leon DO NOT SEND, hand deliver.
To: Jeffrey Epstein <jeevacation@gmail.com>

Transaction complete !
. this - in spite of your collection of Elysium misfits. !!!
With Brad out of the office and unable to run his usual interference , the level of his utter incompetence was brought front and center, he may be a step up from Eileen, but if he is , then it is not certainly not by much, . Though you and I have spent many many hours discussing the importance of details and mechanics. I was not shown one document re phaidon,- not one.. Brad wanted to keep it private between he and his so called " advisors " however as he was out of the office during the most important transaction of the year, I did get to spend time with joslin Joe and john, - the situation in your office is wholly ludicrous - to summarize - the list I provided to Brad last December - things I thought were a priority to get done after consulting with your office still remains virtually undone.

IT, still desperately needed- reporting flawed cumbersome and inaccurate . all done by hand as one -off exercises , - airplane: re structure, (my only suggested priority in june) is really ,no further ahead, ,consultants up the kazoo but nothing at all done.(the office was told that i cannot even see the proposals received without brads specific authorization) - brad has no idea even as to what questions to ask. he knows little of finance, is run roughshod over by almost everyone in the office. he is a little man , using your power, to appear larger . Eileen was self aware enough to know she was over her head , that is a huge difference. bad info is rampant ie 3 million in deductions Im told are taken for art space but on closer examination it turns out they cannot be used at all. (ZERO benefit) though you will be told yes they were deducted on the return they said that is the question they get asked ! " were they deducted " not -" is there a benefit " !! I asked for the balance sheet and P and L for Regan arts , a basic first step in order to check your financials. "sorry we never got one?" though 9.8 million invested, no p&l, nothing , a construction project run amok , no budget, the coo fired after only 3 months. , no clue . I can add that artspace financials are also a total mess.
As your friend and in order toturn the page. I will try to be constructive

The following is a list of things I think would be in your interest to get done asap .but definitely not by me .

i suggest you form new grats. , hire a high level tax partner. use your trading accounts as they remain the paramount requirement 16 months after i emailed to you their importance. , I suggest you consider having the 49percent of phaidon merged into artspance and have Richard buy artspace. re-do bank loans. no need to pay interest at higher rates on boat or plane. . as Richard is now no longer trustee. re- do will, make suydam executor , with Barry, and john as back up. pay 1 million a year for executor role. get rid of Judy Black trust, deal with gifts and their tax returns, . review amounts to kids at fixed ages. put more protections in for Alex and Victoria. , distribute some money to kids let them make decisions. , decide art division with children in attendance . have fire drill done on estate. fill out estate returns as if you and Debra died today, choose advisers - rick bronstein said the only 1040 he ever filled out was his own. (this is brads chosen advisor??!) Halperin has a conflict that should be addressed., Debra should enter a tenants in common agreement with kids. you have airplane consultants tax consultants it consultants. plane operation consultant. . boat consultants. architects, lighting , art, legal, . foundation , deal with TRA , BRH , rationalize investments. cash flow. reporting, gaming disclosures. foreign, gift. . prepare tax projections for 15 and 16, . deal with neg basis (tufts gain, debt financed. art partnership, pledges. sell stock , art, deal with phaidon debt. athene,? income , capital , foreign , exit, corporate, insurance regs, out and inbound issues, basis, appropriate discount rates. ? terminations. control. , qualified dividends. corporate tolls, inversion rules. , grat issues, short swing and other sec disclosures, Rothshcild bank, 150 b they have a distribution network with no products , private bank Rockefeller Rothschild. financial service. deal with UK visa issue sooner rather than later. we can talk about Rowen request re Athene , 2 billion in taxes on transaction. ?!

the facts as i see them
in June and then again Sept, we both agreed to a 50% of phaidon payout., then after weeks of thinking about the issue (which I fully understand) . the payout was unilaterally changed . 5m woudl be reserved for the future ? . and out of the remaining 15m ,? i would receive only 5. (note : I'm confident that both the debt , and the artspace investment will also lead to a write off of another 30 m. plus) In my dining room ,you were surprised when I said that i require most people to pay their advisory fee up front so that I am assured that I will be properly compensated for my work when strategies that I devise are implemented . you may recall that you appeared offended and said " are you suggesting that i would go back on my word " I said no , of course not ! you are my closest of friends ,but my experience is that when amounts get large, people tend to get unhappy when it actually comes time for them to pay ,.
From day zero a 50 - 60 million price was attached as the fair price of the transaction just completed . though this amount was already substantially less thanour agreed and negotiated formula. - I was never told that this was out of range. in fact, alternative methods of payment . plane -in-kind etc, were discussed (ie keeping the 30m portion of fee outstanding till March) ,I provided as requested a detailed step by step execution plan and reviewed all documents that i was given access to. (Phaidon was not forthcoming) in order to make my many corrections . I was then told that Alans involvement warranted a discount . Even in the best of light , though it is beyond question that not one-,not -one time in three years has he ever proposed a unique idea. (including the new tenant in common idea,) and lets say he made a contribution to the plan andeven that it was 50 %. though no one could posit such a large amount unless they were wearing a brightly colored clown suit. , the price of doing the deal was known . It had both sent in writing and spoken about on the phone numerous times , a detailed execution plan was provided . then and only then after all was laid out for the group I was told that after a number of conversations with brad karp that only 20m would be paid , (and even that was more than originally contemplated) for both transactions . I feel It was remarkably unfair. Did brad even know of our prior agreement.? I called him and he said he was never told.?, I would ask that you I and Brad karp sit together if you think it would be helpful. . I would like to send him this email, with your consent of course. If the transactions were never consummated , i would not be owed a dime, however , the price was known up front. , the detailed step by step plan was followed and overseen by me, the price that had been requested before the transaction was begun, and had lready heavily discounted, out of friendship, from our agreement . I believe the decision re paying only 20 m has frankly

left me felling quite uneasy.

since you asked since last nov. i found 11 million dollars in dormant accounts. 4 million dollars in eileens drawer. . went through cash flows for phaidon shwoing that john murphy is not an accountant. redid your gagosian contract , . organized structure in case of divorce. set up gift trust. stopped ada from including multiple times things not in your interest. dealt with bad sales tax use tax income tax . created 8 millino in deductions ,500k in mistakes , found bank of scotland fbar problems, . . reorg bad art purchases , funds taken, , charibale decustions , helped with fincnacil sttment gamoing commions fling. . boat deductions, rescued stock from grats. . may 1 after months of brad not finding anyone i sent an email saying you would have to pay more. . on april 15. I sent an email detailing payments owed if i could figure out the basis issue, please see attached, .

questions you might ask your team ask them to provide a balance sheet or p&l for REgan arts. . doesnt exist ask . either wechsler or haperin to tell you what brh is, or how the tra works. . . ? as bronstein to tell you why the proposed phaidon transaction DOES not work. . as them to give you a plan for the plane. ? ask them to show you the cash mgmt for over 100 million dollars. . ask them to show you the IT system progress after one year. . the approval process for payables. . the cash flow projections? assumptions? ask for a comparative review of investments. ask haperin to describle to you in any detail BRH , the major asset of his two biggest clients. tax basis, disposiotion in the estate. . etc. ask brad to show you the liquidation of the inteveing art space cos? .

Last year you asked , for my help I told you I preferred not as we would be better off having no financial intereactions. the risk was not worth it. You told me that as my friend i had to do it I agreed., here we are in what I find to be an awkward situation. the transactions that i decvised were used , our agreement was ignored. and im not sure how to respond.

Date: Tue, Oct 27, 2015 at 6:35 AM
Subject: Detailed constructive list.
To: Melanie Spinella [redacted]
Cc: Brad Wechsler [redacted]
Deciisions needed asap 1 phaidon. topco etc. . (cash needs) many wires needed !! 2 new trustee or not. - new decantings 3 art in art partnership.??! .overdue ?! 4 grats? window - 5 art space. .6 regan arts. .7 plane simplify re strucuture re finance. re purpose . 8 .boat restrucutre , sister, 9 re fresh estate plan. to consider modifications Alex Victoria equal does not mean same. 10. tra review , sale. , 11 brh, doc review, 12. sale of stock or art ? tax, rent sale 13 . gifts of art. 14. charity current and future pledges , gifts, 15 cash flow. . 16 . new IT and new personnel. 17. operational re-do (bill pay etc) . 18 debra and children ? current and future involvement . notifications etc. . new dynasty trust ? 19. tax plan and dislosures gaming. foreign apollo and phaidon related . 20. investments rationalize incl trading accouints . 21. bank loans . rates ? ? terms etc. consolidate. plane boat houses. disclosures? 22 . consolidate and review and reduce the number of all bank accounts and legal entities. decanting liquidating etc. . 23 all outside consultants? valuations etc. 24 review legal bills carefullly. 25. third party responsibilty Bens house , alex films . etc.

Date: Tue, Nov 3, 2015 at 10:45 PM
Subject:
To: Melanie Spinella [redacted]
okay, its time for you to decide how you would like to move forward. (fyi get your money from the 1031 . the screw up is only one of many,) If you decide to move foward on decanting. phaidon, note basis estate update , each requires many carefully orchestrated detailed steps. and precision . there are hundreds of millions in saving if done correctly and a huge mess if not. If you want me and my colleagues to do it , oversee it paper it and guide it, you should tell me. It is a big undertaking . If not , ok .. Brad and your crew

can do it. I will have no real further involvement apart from confirming the outcome of my proposed structure, I will not risk the admonition of- they thought you said, they thought you meant, they understood it to be. but they said you said, (i e ,I asked at our meeting that accounting be done properly for bens house , what came back was ada thought that I meant that we needed to go back to the 97 trust and give him a full third party accounting of where his money had gone??!! I kid you not). I dont think brad should talk to jane heller without a fully fleshed out plan in place and even then it should be you.

Date: Mon, Nov 30, 2015 at 11:21 AM
Subject: agenda
To: Melanie Spinella [redacted]
1 fees, amount and to what entities when and responsiblitis. 2. gagosian idea to save a minimum of 10 mill and maybe more. 3. i can walk you through carlyns screw up, 50 % would have made little difference and maybe made it worse . 4. we should have an all hands meeting with your family to talk about art distribution on death. . 5. phaidon, decantings (already firmly in progress) loans. (alan) pent. (with follow up) all part of same elegant transaction, 6 asymetric risk worth at least 50- 60 no matter how you calculate. I can explain. 7 lets get the money issue out of the way once and for all. I have my team set to start.

Date: Fri, Dec 4, 2015 at 8:07 AM
Subject: Fwd: moving forward
To: Melanie Spinella [redacted]
I had forgotten that Alan was actually at the table when i explained my note deal to you. it was at the end of the meeting described below. . as you will recall , not once , not even a peep did alan suggest contemporaneously his hand in the crafting, in fact brad said it was an idea. that HE brad, HAD HAD , from the begiining . my emails between alan and I that you can read , further confirm authorship. Im sure you recall the obnoxious tooting when alan said he agreed with my plan. .

Date: Mon, Nov 2, 2015 at 10:03 PM
Subject: moving forward
To: Melanie Spinella [redacted]
I have mixed emotions about what transpired today. really, You saw first hand in nauseating detail what i have been saying to you for quite a while now. Joslins answers were totally incomprehensible. the charts he prepared unreadable. Brads defensive posture was at a minum very surprising . He and I have recently gotten along quite well , I thought . Neither Joslin or Brad understood a 180 million dollar number . no cash flow after weeks of requesting? odd. when you suggested that heathers behavior was emblematic of a sloppy office , brad said lets not talk about emblems??! bill pay , admittedly no change for the year. . plane not done. though it was the only thing i suggested doing first in july . . I sent you a list of 10 consultantts. brad said three, . i didnt want to push it. I was shocked that brad was opining on things he knows little or nothing about. tax issues. 1031. neg basis , note payoffs (the same idea he said he had had from the beggining??!!) . answers re LBF holdings that can be corrected (they cant) . valuations that have never been read. . When we met in your lobby he seems surprised that i was there. I dont know if he felt somewhat sandbagged. . . the savings on the note payoff is aprrox 33 % of 1.8 billion. real money if you do phaidon which i see no reason not to . if later josh and ben want to buy it back with you or without you they can. i will walk you through the structure one on one. . the losses will offeset the calder gain as well as apollo gain.
Im aware that seeing what you saw frustrated you. I felt badly for you.

You wanted a contingent deal. real value. etc. I will not of course hold you to your deal . . its silly. its not how i work or a reflection of our friendship. my proposal is as follows. I want away from your buisiness , but at the same time leaving you in good shape. I think you should pay the 25m that you did not for this year. for next year its the same 40 m as always, paid 20 in jan and 20 in july, and then we are done. I will give you advice and counsel but new people will be running your operating machine. I will oversee all the work

that needs to be done you and I will hire new people , and it will be self running. (it was may in my house when you told brad it had been 5 months and you were getting fed up) I will set up a parallel . office , somenoe like wendy dolman or her quality is paramount. two accountants two bookeepers and two office admins. . alan and zoe will handle trusts and grats. heatehr diana george will be incolved in art partnership. if you want brad, analysts etc. and kids to do investments I have little to add in that regard ,except to be able to account for things properly. I suggest that the kids must have skin in any deal.
Alternatively , we can continue to focus on fun and let someone else do the things that you want done. and you and I can kibbitz about it all. structures outcomes risk, museums. charity, (joslins answer by the way was I had asked how much charity was leon planining to give this year , (the 2 m) he didnt include your foundation or the payment to me, or from debra and you??!!

Date: Mon, Nov 30, 2015 at 11:21 AM
Subject: agenda
To: Melanie Spinella <[redacted]
1 fees, amount and to what entities when and responsiblitis. 2. gagosian idea to save a minimum of 10 mill and maybe more. 3. i can walk you through carlyns screw up, 50 % would have made little difference and maybe made it worse . 4. we should have an all hands meeting with your family to talk about art distribution on death. . 5. phaidon, decantings (already firmly in progress) loans. (alan) pent. (with follow up) all part of same elegant transaction, 6 asymetric risk worth at least 50- 60 no matter how you calculate. I can explain. 7 lets get the money issue out of the way once and for all. I have my team set to start.

Date: Fri, Feb 20, 2015 at 5:52 AM
Subject:
To: Melanie Spinella [redacted]

1) pg 1 A " unequal shares" . pg 23 "removal of trustees " absolute. dont be confused with abiltiy to set up seperate trusts, , 2) I am reachable this afternoon in europe. on cell. 3. on another note . -our financial agreement ended months ago . seperate from the art partnership (which i was told yesterday to my amazement is still not funded) . i am obligated to complete ? the time i have dedicated since oct/ dec has been spent mainly as your friend. tom, brad though i am fully cognizant of my responsiblities. I will try to help find people. I am not good at human resources. howevr If I don;t think they are good enough for you. I will continue to say so , and you obviously decide. but I will reiterrate even in the face of your "nobody is good enough argument." keeping foremost in my mind that you and I have only beeen shown a very tiny handful of people. 4. I find the friction over fees , counterproductive. in an attempt to avoid it I had suggested a multi year deal early on. you rejected it. I then suggested, and urged you to have an option at a fixed fee , you also rejected that .you wanted the fee payment only at the end I argued but ,conceded. I suggested a structure that tom didn't like. you rejected it . 5 I suggest you make a fair proposal.- that i can either accept or reject. some payment up front this time is a requirement. I am willing to modify any outstanding obligations. - there are creative ways to assure you of your desired characterization of those payments. 6 you should open accts at Deutsh . and goldman. I am told that eilleen has set up over one hundred bank accts for you???!!. few relevant 7 you should immediatly demand a list of all her acct authorites , exec poistions . director etc. bank authorizsations. etc. talk later or over the weekend if you like

Date: Tue, Jan 5, 2016 at 9:32 PM
Subject:
To: Jeffrey Epstein <jeevacation@gmail.com>
Mark was here this morning , the proposed transactions are extremely complex . and would take a great deal of detailed time. I do not know how, and if ,to move forward - our last transaction. a transaction which you saved 600 million in tax. even if 20 years away , (i hope longer) even discounted is a 300 million savings . for that you ignored our agreements , verbal written and emailed -and decided that it was only

worth 8 million dollars. (assuming phaidon srichard happens. 24 m savings not including artspace and debt benefits certain to come later) FYI the phaidon transaction cannot happen as currently comtemplated IT will not work . NOT

When we had our meeting in your home in Bedford. You asked me for my help. I told you multiple times that i thought it was a very bad idea, in that I preferred to have no financial interactions. I dont have many friends and didnt want money in any way to interfere with our unique relationship. Reminder , For five years you had the kind but goofy Eileen Alexandersson as the sole manager of your accounting , legal, investments. reporting, trusts etc. When I first told you in no uncertain terms that I firmly believed she was incompetent you admonished me for " speaking out of both sides of my mouth " . With regard Brad Wechsler , there has never been a " both sides. ". I have consistantly maintained since day one that he was highly unsuited for the job. When you initially asked me to help convince him to take the role , promising him a position to manage mirage investments I sent you a note saying that instead of hiring him you should pay up and get first class people. I have reiterated the same message for over a year now. . Brad , not me ,was tasked with hiring new people , according to his org chart.(nauseating) and as you wanted him to take ownership of the staff,he conducted many interviews alone. . you may recall that as late as may, you told him in my presence that though six months had passed he had not hired anyone. since then I have rectified errors in sales tax, use tax, income tax, fbar reporting, 1031 reporting, 8 million of deductions missed errors of millions on the returns. ,(april) Oversight on new grats- first at 22 and then at 19 that were done without my consultation and needed to be resolved soley as a result of my last minute intervention. . 600 million in after tax savings was just accomplished. though you left the 30 million outstanding that I had said should only be done" if" that was my additional fee. not used for non biz purposes and not art.

in June and then again Sept, we both agreed to a 50% of phaidon payout first projected at 20 . but less when artspace and debt taken out, - then only after weeks, when you delayed any detailed discussion of money wanting to give the issue a thoughtful response (which I fully understand) . you unilaterally changed our agreement. . 5m would be reserved for the future ? . and out of the remaining 15m ,? i would receive only a third. (note : I'm confident that both the debt , and the art space investment will also lead to a write- off of another 30 m. plus) In my dining room ,you were surprised when I said that i require most people to pay their advisory fee up front so that I am assured that I will be properly compensated for my work when strategies are implemented . you may recall that you appeared offended and said " are you suggesting that i would go back on my word " I said no , of course not ! you are my closest of friends ,but my experience is that when amounts get large, people tend to get unhappy when it actually comes time for them to pay.

I include below the email i sent to you on April 15, the day i was examining your returns It laid out my understanding of the compensation agreed for a transaction of the magnitude to the penny of the one just completed.ie 600m When it appeared that the transcation would and could go foward I was the first to point out that our agreement would cost you too much money, therefore

From day one I proposed to discount our agreement to a 50 - 60 million range. An extremely fair price for all the transactions just completed . including Phaidon. - I was never told that this was out of range. in fact, alternative methods of payment . ie my plane, or an -in-kind payment were discussed (ie including keeping the 30m portion of the fee outstanding till March) ,I provided , only because you specifically requested a detailed step by step execution plan and reviewed all documents that i was given access to. (Phaidon was never forthcoming) in order to make my many corrections . (as i said more needed on phaidon) . I was then told that Alans involvement warranted a discount . Even in the best of light , though it is beyond question that not one time in the three years of his retainer has he ever proposed a unique idea. (including any way to deal with the use issue on debras death ,or even the most basic review of your largest asset by far , the BRH agreement.) O.K. - lets say he made a contribution to the plan and stretch reality beyond the pale and say it was 50 %. though no one could posit such a large amount unless they were wearing a clown suit. , the payment and our formula of 37 percent associated with the deal was known . It had both sent in writing and spoken about on the phone numerous times , a detailed execution plan was provided . then and only then, after the entire transaction was laid out for the group to follow You told me that after a number of conversations with brad karp that a total of only 20m would be paid , (and even that was more than you originally contemplated) for both transactions . Leon I feel It was remarkably unfair. Did brad even knew of our prior agreements.? ?, I would ask that you I and Brad karp sit together if you think it would be helpful. . I would like to send him this email, with your consent of course. If the transactions were never consummated , i would not be owed a dime, however , the expected fee was known up front. , the detailed step by step plan was followed and overseen by me, the amount that I had requested before the transaction had even begun, had already been heavily discounted, out of friendship, . I believe the decision re only paying 20 m has frankly , left me felling quite uneasy. and colors the view about the Athene or Rothschild transaction.

Date: Sun, Mar 20, 2016 at 11:17 PM
Subject:
To: Melanie Spinella [redacted]
glad to see you are personally on the mend - as well as the fence. -- As you know i dread money discussions with you-- however -we should address the issue of what you would like to do moving forward. re-do family office, accounting trusts , estate and apollo agreements . Along with your " payment " last year we agreed . no further obligations on each side. yes, i continued to moan. I realize that though I ve done quite a lot this year already , it is not your responsibility. . As you often like to remind me- you've paid a great deal of money to date. that being said - If you want my involvement moving foward, I suggest you pay my regular l fee of 40 m . 20 now . 20 on completion or as per the invoice issues at the end of last year pay 30 all at once. -
To help out . im keenly aware of your current cash position. so I will consider an in-kind payment - real estate (Miami), ,art , financing of my new plane (allows you to spread over years or of course the preferred cash. Get rid of Castrucci,it is over a year since the same story of findign the right guy at the top. you entire accounting needs to be re done. , office downsized, reporting re done. meetings to recitify, categlorize , the various docs re appollo , rowen , suydam, alan etc. Brad can direct investment guys, (hopefully) my people will be in your office for a few months . reorganizing IF you decide not to pay I fully understand, as I m sure you will re my no longer spending any serious time on these things.
Of course re any non financial issues , I am always there for you and will continue to be the best friend I can be .
Steve jobs said that everyday he woke up , and asked himself , if he knew he was going to die tomorow , would he do the same thing that he had planned for the day- he wanted to check that he was doing things that he really wanted to. after three days of getting back an answer of no, he would change what he was going to do. . he also did not believe in LONG term plans. I dont think either one of us will figure out what we want to do long term so my thinking is that we should try to have fun everyday, and welcome serendipity.
I think another trust and estate lawyer should be brought in to deal with the issues of how not to allow your family to get screwed by your partners on death . Alan, for years told me that paul weiss had drawn the docs so no issue but when recently pushed by my new fire drill he asked akin to draft .?! PLease ask brad about why he keeps talking about flow . I dont know what he means, its so silly . . this is only about money control and protection .
I am leaving monday night now. free to speak in the afternoon

Date: Tue, Apr 12, 2016 at 11:49 AM
Subject:
To: Melanie Spinella [redacted]
use tax questions. ? california question state returns? as you know wendy did not play a role here. . her involvment moving foward would help alot. . sign your gift tax return today if possible . I will be finished tomorw with this year. crazy on april 13th. !! . last minute to say the least. . brad told you the tra can be separated with approvals. which should be simple. . alan alwys just says no , . unless he is asked , well what if we amend what is there. . moving foward , i ask you to decide if you want me and my team involved or not. . I want to be weaned. I agree the past , apart from phaidon and artspace. this year of course is done. . for me to allow bad reporting to negaitvely impact you, by keeping joslin, would be irresponsible on my part. . letting him do harm, or stopping him and having to listen to his leaving is my fault. is awkward. . I will call at 3

Date: Tue, Feb 9, 2016 at 7:56 PM
Subject: Fwd:
To: Melanie Spinella [redacted]

this was sent four months ago, nothing has changed
sent oct 15. before big transaction.
Office, - ada goes. , hire heather a paralegal . Joslin goes or is closely managed by new cfo with tax experience. . castrucii goes asap.as he merely adds to mess.(too many people , ex 7 people or more to pay a bill) eva goes. outsource as much as possible. . bookkeeping systems built from scratch, airplane restructure, boat . same, new grats. phaidon sale , decide on artspace survivability, regan, . do the kids really want these? , children accounting ie bens house.etc. re do estate for new facts. redo loans, trading accounts activity, . gaming -foreign- disclosures. . BRH TRA re thinks . household and construction architects. . redone. art partnership , choice of paintings. . re do structure of consultants. tax re family office. . decide if investments are a realistic option in the next three years.. insurance. operations. airplane , etc. . art foundation , private . max charity contributions. financial reports. still waiting. ? on line banking, . tax planning, family office deductions (profit center) . airplane certificate, redone jet aviation redo. . paper gigi (E)trust to avoid gift tax. .

Date: Tue, Nov 15, 2016 at 6:13 AM
Subject: Fwd:
To: Melanie Spinella [redacted]
Leon, Congragulations on biting the bullet. at least 18 months late , but I m encouraged and glad for you. When you interviewed Brad two years ago you asked that i not tell him what a disaster lay before him. what would you like me to tell Barry?

There is a HUGE amount of work to be done in the next 9 -12 months. mostly the exact same work that i outlined in my email of 2 years ago. now complicated by years of mess on top. (you can send it again if you like) . Brad wechsler was never up to the task . sorry, I realize I have been saying the very same thing for a long time. he was a not a step up from Eileen but a step sideways. in the beginning there was Eileen and Tom and Ralph Lerner. all your hand picks. then brad. john, Joe. . joslin was chosen from a pool of 2 people. each that would be limited by a salary of 250k. (yes i personally augmented his comp in order to get him) I did say hire both Lisa to do the bookkeeping and joslin tax, He complained for over a year , re his direction by eileen and ada , and then brad. His breakdown was not a surprise after months and moths of warnings. Though disabled, he ran your office this year. with john and joe. He ran amok, and as i told you he rarely failed to remind me in our conversations that you told him that he works for you and not for me and that brad needs to pays him .

. Asking me who to hire , estate attny tax people etc. :

I have taken heat for years over the fact that i gave you no more than carlyns name, . no follow up questions no interactions , not even one single question asked of me re her work. (that was Eileen _) but somehow carlyns fuck up was my doing. . when i told you that i thought Eileen wasn't up to the task, you bellowed that i was talking out of both sides of my mouth. . You told me this year , that by trying to protect you from crazy joslin, I had in essence fired him and it was my responsibility to do his work. it then turns out that he didn't consider himself fired at all he just received less money. and continued to make a really dangerous mess. . Joshn castrucci, in your eyes , was also my doing , though email after email said , I take no responsibility for him,and iYOU SHOULD NOT HIRE HIM .!!! , , your response was that was my opinion was only because i didn't trust him. then to add insult to injury last jan you told me he was gone. however he too is still there, and a waste of money and space.

My time is complicated by Donald's potentially eviscerating any reason for anyone to use the foreign funds repatriation plan that i had put together. . however as you are aware I have some decisions to make re my time allocation in the next year or two. so at least for a few weeks I am unable to commit much time and make any future plans to guide you in the redoing of your procrastination produced mess.

That being said , the tasks at hand are the following.

You have a bomb of colored string that your retarded children have formed , It has to be very carefully unwound , even the substitution of Barry for your next trustee, needs a careful focus on procedure.s It would be much preferable if Wechsler was not his replacement. do you have any person you trust ??! . I am concerned re brad taking barrys place re XXXX. In the beginning Barry will need to find and learn ACCURATE . org charts. books , balance sheets . trust valuations. are all a part. Barry will need 2 months to just get his arm around what is there , this is before any needed modifications.,
a way overdue re- fresh of your estate plan . . clats , trust. partnerships. grats. llcs. bank accounts , filing requirements. etc. the long awaited review of the brh tra and shareholders agreement to see how they fit into new plan. . " XXXXX" planning. art partnership engagement .. , airplane re-do. , buying another. . ? boat sale , Miami sale. . TRADING ACCOUNTS. . three years over due. . an accounting system. fire john .. joslin stays for a year. or so. so does tom and . except for heather everyone should be replaced with new. . Sell Artspace and shut down regan arts. . rationalize. cash flow reporting. cash mgmt. stock sales. sec irs. gaming. foreign reporting. the 8865 mess will take months to review now . . you CANNOT file unreviewed audited documents. . CANNOT!!! this will be very detailed work. . a self inflicted wound - all avoidable if professionals had been in place to limit . or contain it. . . you will need 3 new hires .a s there is no one in your office that is truly an A player. I have great hope in Barry as you know. He will need to be trained. note
; One year is my guesstimate After 4 years of telling you , that you could do better than Halperin, : im glad that you now are willing to follow barrys advice . I take no offense , in fact I take comfort in the fact that after only one conversation with Barry you are now convinced to make that change . will take a year or more.

I expect as a friend you will understand that
I will no longer , not even for one day , work on your affairs . without the compensation that is long overdue. . your unilateral idea of after care , not imposed on any other professional , except me, not paul weiss ,(caesars alone , a direct screw up on their part) tom, akin, , no one. needs to end. . you and I had previously agreed no more of that , and this after you decided not to pay me per our agreement. to be fair I can not say im surprised as you have email after email , stating that , if you save a great deal of money, you wont want to pay , so limit it to 40m per year. - water under the bridge
If I can find the time to work , on your project , which is not by any means certain as I have said , I hope you understand that it now will have to be under my standard terms and conditions. and well documented so as to avoid any more of the he said she said. I never want to have any more uncomfortable money moments with you , I find it very distasteful. . so to be clear , my terms are as follows . I will only work for the usual 40 million per year. It needs to be paid, 25 million upon signing an agreement . 5 million every 2 months thereafter for 6 months ie march may june . this can begin if i am able in January. I will immediately stop work , if the payment is not received. If you want me to work this year until Jan 15 , it will be 10 million. paid upfront. after one year you will be left with a new estate plan a running office. staffed with professionals overseen by Barry. (hallelujah) a tax plan . and an investment that returns more than any painting you could possible own. . no agreement - no work. however - I of course will talk to Barry for the hour that i promised , and take your guidance as to what I should say.

her the last two places. ?

To: Melanie Spinella [redacted]
Leon please read the attached proposed response to the IRS , see if you can understand it !!!. Ive asked for a re-do. and given prelimiary directions to Alan to have it edited over the weekend
. If you are quarterbacking ,ok with me. just please let everyone know. you must deal with the outrageous incompetence in your family office .. Alans words " but I was told that.. , but I was told by the office (sic) that ... , BUT i was told by joslin,. , but I was told by . " why is leon blaming me for .." . I ve have always given you my best advice, If you reflect on your financial life , you have been kept safe , had remarkable results and no disasters. I have repeatedly urged you to get rid of the people in your office. , you have repeatedly chosen to ignore my advice , you told me last week that the emotional reason was in order to be weaned off my group and not have to pay my high fees. (though ignoring the benefit of between 1.5

and 2b to the better.) . and no explosions. You have email after email ,where i remind you that I am not your bookkeeper or accountant (in brads corporate speak his" finance dept ??!!) that it should be redone .I have reviewed a multitude of the silly reports given to you and have pointed out the continued numerous inaccuracies . your question " so what if the numbers are off , so what if the categories are off. whats the big deal??. I suggest you de risk you finances and make the tough decisions necessary - pay the right amounts (high) to get the work done properly or , you are , Im afraid, certain to get an unhappy answer.. tom will be back from vacation. this week.

---------- Forwarded message ----------
From: Halperin, Alan S [redacted]
Date: Thu, Apr 28, 2016 at 5:16 PM
Subject: Valuation Discount
To: "jeffrey E." <jeevacation@gmail.com>
I am attaching a draft response from Empire Valuation as to why it arrived at a valuation discount on the low end. Let's discuss the response and next steps. Thanks. Alan
Date: Tue, Feb 24, 2015 at 8:20 AM
Subject:
To: Melanie Spinella <[redacted]

Leon,
Yesterday , I again spent hours upon hours of my time with your office. ,(speak to brad to get flavor) and you and i will discuss the results in gory gruesome detail on Friday. it mirrored many other weeks spent doing the things that I don;t have the time to do.

In order to keep things in perspective, maybe reviewing an analogy I have used before with you, might be helpful. You and your family are a 6 billion dollar corp. with an income between 250 -500 million dollars per year. It contains a few operating biz's , a large wide array of existing investments, in various categories , a desire to enter into others. A panoply of loans, notes. purchases, wide range of all types of taxes. , planes. boats homes. . trusts ,grats. a crazy number of bank accts. (with no oversight) . law firms, acct firms, 800 page tax returns, foreign firms. art consultants. construction consultants bill payers, home mgmt.,vast multitude of llc's , including foreign, and with all that you only have a combined overhead of less that 3 million dollars.

I have previously sent you the very same note that i have enclosed again below ,this time with highlights . I wrote it to you over a year ago. As my acute disability (selective memory) seems to have been raised as one of your concerns , as a rule I try to memorialize things in writing in an attempt to lay out issues that I fear may later turn out to be a problem. ie what i would and wouldn't do , - my responsibilities. etc and those things that are not. below you will find details of things that I thought needed to be done, so that you wouldn't find yourself in the very place where you currently find yourself. however ,you chose to defer many of my suggestions- see below -,until only weeks ago. ! you chose to defer the jpm acct. the art partnership on and on - into this year. and though the 60- 50 40 timber emails all carried with it a clear warning that you needed to do something re personnel if it were to stabilize,- you chose to wait.

ONE YEAR AGO
Feb 17 2014 i wrote :

With regard the more pressing issue I am uncertain of just how to proceed. I am torn, as my very strong inclination is not to be involved at all . It is extremely time consuming, delicate, fraught with many pitfall many that will make you very upset and a major pain in the ass. I wrote you months ago that the quality of the people involved need to be upgraded. (lucky for me these last issues arose way before the beginning of my involvement) I am also aware however of my overarching friendship obligations of ok, -given all the complexities who else can do it? problem.

Your family office needs a daddy. children with good intentions are running around , sniping , nitpicking with little direction. As a stopgap measure I am suggesting , we put in Larry Delson to take charge Everyone would report to him. Eileen included. He would however work for me. this is not, by a long shot my first choice as I prefer only being responsible and standing behind my own personal work (ie the word DONE will no longer be transmitted to reflect status stated by others)

With no commitment on my part whatsoever, to do it. So far as I have failed in my attempt in trying to think through the problem creatively . My organizations handling of the more complex issues I believe you might find very costly, very ! (however many structures available some risk sharing, maybe risk caps ,etc) but would require my teams doing the work , not yours. Ada should be only a trust, grat administrator. not sure what role you prefer for Eileen as you hired her initially to oversee investments. whether Rich your controller stays or not, is not urgent. having Tom report to a new person,- is. coordination with Suydam Kathy Gregory, I would suggest limiting to one person. The increasing public profile needs to be taken into consideration.

TODAY

With your acquiesence , Eileen did not report to Delson (he acting as a conduit directly to me) , she continued to provide bad info to both you (cash flows , stock accts, structures. sales Etc) and me. and each time with my many annoying calls to you made immediately afterwards that she was g.....y !! No one was hired to run YOUR office until two months ago , no one was even interviewed and even now , Brad, a very nice man, is not even full time,(crazy) Hours upon hours of time need to be spent training him . and his new staff. Eileen followed your instructions. not mine. in fact she continued to ignore mine saying " but Leon said " or " its on Leon's desk etc " , You would become frustrated when i pointed out each instance. of her obfuscation. originally you were given the clear choice, but to save money ,you chose not to hire my team . I was hired to do the architecture, you kept your own team. with Eileen at the head. instructions were given by me, , detailed but ignored by her. (except in the instances where I inserted myself and personally had to do the weeks of grunt work),ex. jpm morgan acct still not in use? That being said, If you do the cold calculation ,starting from where you were, to where you are currently . you have made a hell of a deal. -- negotiating down my original amount requested , calling upon our friendship and suggesting that the Carlyn mess was partially my fault. (though in that specific example , I had never been asked to do more than merely provide you the name of the most highly recognized atty in the field, not consulted,nor even asked again for my guidance along the way.). I accepted the discount as your friend. (by the way ,,suggesting now, that your Tom is now that last word on tax characterization, frankly is a bit much,-). however - that is all in the past.

In order to move forward

I would ask that you realize that very unlike yours, My business is only comprised of my personal attention and my personal time . Time that I was forced to grossly overspend on your various issues last year. . As you are my very close friend I will not have you participate in a bidding process that I have decided i will have this year for my time . (hopefully a more fair way to allocate) I would also ask that you keep in mind that though our deal expired months ago. (also keeping in mind , that your understanding of the final payment terms neither reflected the emails or my memory, we finished it up your way.) I have answered every call Brad , joslin, Ada or you, have made . reviewed docs over and over/ until once again, I was forced to insert myself strongly as I thought it dangerous not to. I made serious dollar and time concessions last year.very serious I am wiling to continue to accommodate some of your concerns , but I am, under no circumstances , none, willing to spend my time for free. its not fair. After cleaning up Carlyn's mess , which was a few weeks and 30 million dollars . We were both highly aware of the dire circumstances in which you found yourself last year, and in fact due predominately to its seriousness. and those very circumstances I took extra care in our negotiations . (you had claimed I had you over a barrel , (a horrible position to be in with my very close friend.), unfortunately I fear that if you are not cautious ,in the near future, another barrel will appear of your own design)

I heard you when you said you believed i had already been paid for the work that is now required. The art partnership has fully answered all your concerns and discharged all my obligations and more so. . (FYI Carlyns art partnership that you referenced is similar in only its title.) You will also recall that you

required that my payments be at the end of my work not at the beginning as everyone else's .(my work was never to include hours upon hours of training your staff). I eventually agreed, this of course should make clear that the 2014 tax year that will close Oct 2015 is not covered by our past agreement at all. I pointed this very fact out to you when I initially proposed a multi year agreement right out of the box. you said you preferred not. As you said ,I have produced results to date, far in excess of even my own exalted opinion of my projections. I have devoted a monumental amount of my limited amount of time-- way, way in excess of our agreement. I will be fair, I am willing to roll in the amount still outstanding from last year if that helps .. However, As my best student , and my only one, you are now capable of doing most, if not all, of the required work yourself. I can put my whiteboard away when you come to eat and just have fun, trade stories,. share moments ideas etc. . I am of course always available to guide you as a friend if you choose that route . always . It will take a great deal of your time , but you will not have to spend any more money on mine .
We are scheduled to meet fri at 430 , I leave at 5 am sat morning.

Date: Tue, Feb 24, 2015 at 8:20 AM
Subject:
To: Melanie Spinella [redacted]
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share moments ideas etc. . I am of course always available to guide you as a friend if you choose that route . always . It will take a great deal of your time , but you will not have to spend any more money on mine . We are scheduled to meet fri at 430 , I leave at 5 am sat morning.

Date: Mon, Apr 21, 2014 at 11:39 AM
Subject: trying to bridge the gap.
To: Melanie Spinella [redacted]
you were at 30 30/ me at 60 40. . / proposal 50 /25 and in additon I would be allowed to recommend 15 from directly from your own foundation. All payments to be made in addtion to currently owed. so $40 on april 25 , $30 june 15 ,and the already owed $10 as planned on oct 15. I would direct the 15 charity in the next 12 months, and the last 25 to be paid on conclusion.
leon
10 am - Arrival at White Plains / Westchester Airport
FBO and US customs is "Jet Systems Aviation"
Adress: 85 Tower Road Hanger E, White Plains, NY, 10604
Telephone [redacted]

Date: Wed, Mar 25, 2015 at 11:52 PM
Subject: previously sent
To: Melanie Spinella [redacted]
I heard you when you said you believed i had already been paid for the work that is now required. The art partnership has fully answered all your concerns and discharged all my obligations and more so. . (FYI Carlyns art partnership that you referenced is similar in only its title.) You will also recall that you required that my payments be at the end of my work not at the beginning as everyone else's .(my work was never to include hours upon hours of training your staff). I eventually agreed, this of course should make clear that the 2014 tax year that will close Oct 2015 is not covered by our past agreement at all. I pointed this very fact out to you when I initially proposed a multi year agreement right out of the box. you said you preferred not. As you said ,I have produced results to date, far in excess of even my own exalted opinion of my projections. I have devoted a monumental amount of my limited amount of time-- way, way in excess of our agreement. I will be fair, I am willing to roll in the amount still outstanding from last year if that helps .. However, As my best student , and my only one, you are now capable of doing most, if not all, of the required work yourself. I can put my whiteboard away when you come to eat and just have fun, trade stories,. share moments ideas etc. . I am of course always available to guide you as a friend if you choose that route . always . It will take a great deal of your time , but you will not have to spend any more money on mine . We are scheduled to meet fri at 430 , I leave at 5 am sat morning.So there are no surprises 50m for the year. . or 30m for until 7/ 15. you can roll the balance for last year as a concession. half up front. no more all at the end. ive spoken to brad every day. more questions than answers. joslyn cannot be left unsupervised. his answers are knee jerk . eillenn told me this , that the other

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Date: Thu, Mar 26, 2015 at 12:07 AM
Subject:
To: Melanie Spinella [redacted]>

you need to build an entire office from scratch. no question that was never my obigation, - systems , personel. finance tax, bookeeping, ,office. complinace. investment. monitoring, banking loans coming due , review. gs jpm gs, . . plane boat houses construction , new will, . phaidon sale. you are no further ahead today than my nov memo layed out = no real candidates. etc .. Ill redo the art partnership under new restrictions of course at

no charge, and review the work done by tom/ joslin.
joslin you and I should sit. you won't like it. AT ALL> he is afraid of telling you the story, as he belives brad is your guy and does not want to get fired. ada still refusing to share income tax opinions based on privilege , not under control at all. ? ? joslin said that murphy is not the cfo, as you told me but the coo. and the cfo is the same guy that reported to andrew, mistakes after mistakes not picked up by murphy who joslin described as a kind buffoon . he suggested a new ceo or coo who can make decisions. someone with some financail experience. he asked for a chief decision maker. 50 for year roll in money owed . 30 till july , most up front needed

Date: Tue, Mar 31, 2015 at 3:25 PM
Subject:
To: Melanie Spinella [redacted]

Nov of 13 : I told you tom Eileen and Ralph were not up to the job, you disagreed very vocally and strongly , " Ralph wrote the book, Tom has been doing it for 15 years and Eileen ran the trading desk at Morgan Stanley. " Ada who had been working on all your documents for years while at the bank had been brought in- house but created more issues that didn't exist. and phaidon was its own animal
.
Dec 13. you were again annoyed that i said that they needed to be replaced and said "i was talking out of both sides of my mouth." first time (email available)

Jan 14, you decided that no third year was necessary for my help. and i told you i thought that unwise and even suggested giving you an option at 40 m so there would be no tension

Mar 14, I told you that to do the job right , my team would need to do it. not yours it would not be inexpensive, but it would get done properly, you chose not to do itand said lets wait and see

April 14. We agreed to clean up various past mess.with the end of my work OCT 15th only then would i get paid.. urged JPM (first of 14 reminders)
GS and db accounts to be set up in order to bring your financial structure into the 21 century

July 26 , I came to bens party, said new people needed to be hired, keep Eileen till end of year, and Ada till march, you suggested getting ada out earlier

oct structured the art partnership , but you wanted to wait until you fully understood ramifications formed the doc in dec to have it in 14,

nov/ dec 14 I told you I considered my work complete separate from art partnership. gave list of things to do. three months of you and your high school friend , trying to build a house with little of the relenavt experience. its silly . still no accurate numbers accounting , charts, etc
jan 15, I told you joslin cannot hire people, has not so for more than 5 years, former job in a public accounting firm.
april 15 . no senior accountant even in the wings. joslin talking about reaching out to hire the only person he knew(worked in the past with dagazsitno) and i interviewed 15 months ago. and rejected. low level . He does not want to hire himself out of a job, spoke to brad last night he wants a coo so that he does not feel demoted

your choice!, (brad maybe does have insight - to your credit, might have been right when he said- jeffrey you should realize this is only about leon not wanting to pay more money , (i ignored his summary , along with his comments on the risk of fracturing

summary
I can either do it for you or not. if i do it it means finding hiring organizeing, structuring reviewing re negotiating, bring in my team under my control not brads. . stop -gap accounting - my people getting the books software and procedure in shape. setting up the various brokerage and bank accounts and rationalizing them, organizing Melanie, TPS , house, and all the intra family notes outstanding, overseeing the phaidon mess.maybe sale re do some of estate given the new circumstances. etc. I 've responded to every brad question , given him first lessons , not a good use of my time or his. he should administrate, follow up, have signing authority instead of eileen, (AFTER rationalized accounts). holding a position of trust. ONLY

talk whenever you like, NO STRESS , Mort had a skiing accident and sultan not fully comp es mentes. no stress please for either of us . both of our reserves which are not insubstantial , can use a break

Date: Tue, Apr 7, 2015 at 4:29 PM
Subject:
To: Melanie Spinella [redacted]
agenda for tomorrow.
1 building an office from scratch. who does it. ? so far little or no progress in real terms. . brad should remain and can administrate. follow up methodically, . has no idea of corrrect questions to ask. or understanding of family office issues. procedures checlks and balances. etc .. consultants , diana goldner foundtaion woman?. office . focus .
2. without strong , very stroung direction, joslin will not make it. does not know where to focus. who to respond to. and how. unfortunately now getting more and more answers like the powers that be , want it that way.??
3. the priority list is still virtually the same , since dec. . accounting system. redone from scratch. etc.
4 . it will take 9 months. at a minimum now. . an outsider brought in when everything is clean , including phaidon, notes. eileen. banks, jpm db, bam, etc.
5 disposition, of Phaidon. art space regan etc.(ressler??) . sale of boat. plane . art , stock, investments, athene? etc, tra, brh.
6 . new IT . complex. household . payroll insurance . recurring bills.
7 estate modification given new circunstances and altered probablities. (use etc)
8 charity, new trusts,!!d IPI< harvard . fees,
I spoke to brad and made him aware of all my concerns and propsals to move forward. he is desperate for help

Date: Tue, Apr 14, 2015 at 11:53 PM
Subject:
To: Melanie Spinella [redacted]
saved you 500k at the last minute, . brad has had the same chart since march 16th, its his job to review NOT MINE .appears he is one of those living in the dark leiwe. I found 8 million dollars today, missed deductions. . not yet in the numbers, .?

Date: Tue, Apr 21, 2015 at 1:10 PM
Subject:
To: Melanie Spinella [redacted]
emblematic of my frustration and ,in the end what I believe is a waste of our time energy money and resources. is the very simple question of bidco bank accounts. 4 months ago I asked the question , does it have a bank account and if so , who has authority, where is it located and what transacations ran through it. it is only one question out of hundreds that need to be answered. hundreds. . you asked that i not behave like Zeus and try to explain why I want need certain things. since i said to placate Brad's inquisitive ness and his desire to learn I said a filing might be required. instead of merely getting me the answer. he has talked to joslin paul weiss , you , you wanted to ask brad karp. (maybe a filing that reopened things,)
none of this as a practical matter has any influence upon the ultimate action taken . I merely needed to

know a simple answer.   and today after asking at least every week since then   do not have an answer .   I have been trying not to add stress to your day.   i try to explain things and take the time to do so gently, (not my forte . this is one question out of hundreds.   the fact that a 21 year old was in the office only xeroxing for a month, was obvious to everyone in the office. having a 26 year old xeroxing instead doesnt move us forward,   answers first. copying old files.   can wait.

Date: Wed, Apr 22, 2015 at 1:56 PM
Subject: another flowery email.
To: Melanie Spinella [redacted]
I am sorry. I realize you are under tremendous stress, In Bedford you asked me for my help I could not have been more clear that thought it very unwise as in my words I did not want any financial arrangment between us, it risked conflict and tension what neither of us needed more of. and did not want to risk torturing our friendship into the likes of the kind you have with Mark nor Josh, : now,- I dont have anyone but you yelling at me , in my own house. no one. it is highly unpleasant but I am trying my best to be understanding . sorry . From the outset and as you told me you recall. i tsuggested that three years should be the period of engagment. as planning is not a one year excericse . you declined to commit to a number of alternatives presented to you for payment of the third year.   I told you in nov that you should decide whether to now sign on for that very third year as the vast majority of my work ended on oct 15.   you recently told me you thought i was kidding. .you hired brad patting him on the back that after months of inquiry he can now, finallly tell you which llc owns the cars??
once he has all the facts what next ??.   whether or not you refer to a portion of the third year as after care, or whatever term besides 'scoundrel you choose to use, I m not sure why you assume now it should be free.(I HATE THIS CONVERSATION < HATE ,) and i heard you when you said you told me what was l work still to be done   you thought valuable enough to pay for. please tell me . and then we can decide the next steps ,,, if any. I consider my work rarefied art. I guess the value is in the eye of the beholder . IT reminds me of those people looking at a modern art piece and saying " my child could do that " .   hope you are feeling better.

Date: Fri, May 1, 2015 at 12:50 AM
Subject:
To: Melanie Spinella [redacted]
ada and brad are respondbile for the loan ,. docs, at a minimum , leon   he hasn't read the financial statements SINCE DEC. !!. impossible ,had he done so the silly numbers jump off the page . (sent in another email). it is a financial office., 190 million sitting unused in CASH , budget and planning person for what , its not a publice co. ? townhouse construciton , household   operations, boat, plane, taxes, we went through this with the cash flow. you and i know approx how much each will cost. its a week job not a fulll time one-   ada has no lien copies. none. ?! impossible not to know , ask, quesiton?   two senior accountants   CPA s.   not the 75k girl that they hired, . IT professional backed by a firm. high quality,can we   tap apollo resources?   new lawyer , heather level . new receptionist, and bookeeper. get rid of ava. next could be   new office ,new furniture , , the whole place reeks of cheap. IT IS MAY<   I have not been asked to interview one person to date.   not one.   having cpas   in there tomrrow woudl go a long way.   i dont understand the time line, coo first. ? in by july?? cpas in by sept . tax return due oct 15. ?

Date: Fri, May 1, 2015 at 2:36 PM
Subject:
To: Melanie Spinella [redacted]
I know that both you and I heard brads'. im out of here if i dont get a coo. . sorry,. i know that neither of us have stood in the way of his finding/ gettting one.. JPM account DB account GS account, ??? its MAY 1. nothing in the first quarter and these are only papers that need signing.
I suggest your thinking on my role and compensation for my work might benefit , from a mental shift - think mark and josh, without the mutual resentment (HAHA) only in terms of sharing ,thanks,   I am and have been your financial partner i.. rectifying circumstances that appear in hind sight unexplainable.   I wish you woudl have asked me earllier to review your things , but i understand.   I do know that soley as a result of my actions

your personal bottom line has increased dramatically, if you had thought of me as your partner in this endeavor , instead of an employee, i think your reaction to sharing t benefits would be different.
If you recall, you wanted me to be paid , unlike others at the END of my work. we discussed this ad nauseum, and agreed OCT 15, last year was the end . You had wanted more comfort initially on the art partnership so that date was delayed. It has now been six monhts since then, your concept of aftercare . . for free. was already unique , in your words this has to have an end.(weaned) if the actions of josh and mark led to one hundred million dollars , what would be their share. Im not sure why it is different in your mind. but i respect the fact that it is, Is it because their work seems harder. it cannot be simply because they devote more time to you .or it appears to involve more effort. I am happy to continue to play a partnership role. as I have been in many areas of your life. . I am also happy to move on and have no more of these emails. I find them as tedious as you do . if you prefer a partnership structure , ok with me, I tried to minimize the amount of money i would recieve by making it a flat fee . as i wanted you to feel good and have no second thoguths somehow if the payment comes from a partnership structure you seem relaxed as opposed to writing a check, I focus on trust and friendship first, and the fact that you don't include josh and mark in that category, gives me great pause . I proposed 33 percent of money made for you. . in the past you agreed that amount. it will be huge, but ok with me, I can talk today at 945 as you suggested. or if you woudl rather over the weekend ok

Date: Fri, May 1, 2015 at 7:08 PM
Subject: Fwd: Picasso agreement - question
To: Melanie Spinella [redacted]
silly

Date: Fri, May 1, 2015 at 12:27 PM
Subject: Picasso agreement - question
To: Brad Wechsler [redacted]>, "Jeffrey Epstein (jeevacation@gmail.com)" <jeevacation@gmail.com>

Brad and Jeffrey,
Gagosian has one final change to the Picasso agreement. As you know, we have structured this agreement with the Buyer as either Narrows Holdings LLC or AP Narrows LP, and given both of those entities the right to assign the agreement to any one among Leon, Debra, the kids, or family trusts including APO1 and APO2.
Gagosian wants us to agree that, if Narrows/AP Narrows assigns the agreement to someone else, Narrows/AP Narrows "shall not be discharged from its liabilities under this Agreement and shall remain primarily liable to Seller." Larry is concerned that we might assign to the Black kids or to a trust that has no assets, and then when he has to sue us because we don't make the final payment of the purchase price but have possession of the art, the entity/person to which we have assigned the agreement has no money.
I think this is a valid concern and that we should agree to it.
However, Ada just reminded me that it is possible that Narrows/AP Narrows (really, Leon's) agreeing to effectively guarantee payment by the assignee might be considered a gift to the assignee. In the discussions with Alan about rearranging the bank loan once AP Narrows is operational, Alan agreed that there could be deemed to be a potential gift from Leon to APO1/APO2 if Leon provides a guarantee to the bank that is for the benefit of the trusts as partners in AP Narrows. Alan suggested mitigating this risk by having the trusts sign side agreements with Leon which say that if AP Narrows defaults on the loan and the bank goes after Leon on his guarantee, the trusts will make him whole.
This issue only arises if we assign the agreement. The risk is also limited in time because it would run from the moment we assigned the agreement until the final payment is made, which even if we assigned immediately after signing, would only be 11 1/2 months.
Shall I agree to Gagosian's request that Narrows/AP Narrows remain liable even if they assign the agreement?
I'm in the office if you would like to discuss this, but I would love to get back to Gagosian ASAP so we can have this agreement signed today.
Thanks,

Heather

Date: Mon, May 11, 2015 at 3:08 PM
Subject:
To: Brad Wechsler [redacted], Melanie Spinella [redacted], Ada Clapp
[redacted] Richard Joslin [redacted]
lets look at funding the art partnership begin with 100 m of unencumbered art. plus 20 inveestment. and the same amoiunt of value from trust. leon should choose b trustee and begin to use mechanics. . later we can amend and add .
2 hire an IT person asap
3.I would hire jerry the woman. gittis. person
4 .I will find a subpart k person to handle partnership acct
5 , accounting software upgrade, onlilne banking needs to be seamless
6. not sure status of bringing plane boat acct inhouse?
7 prepare fbar report for june. draft next week
8 pahidon actuals vs projections. . new valuation
9 . new valuation of tra contract?
jpm db goldman sachs acct? new llc?
review of dec 31 books for all entities? bfp . etc

Date: Wed, May 13, 2015 at 3:04 PM
Subject: Fwd: jobs ahead
To: Melanie Spinella [redacted]
the list that we discussed.. i spent time with brad again. re the candidates . fiiling due, this week, next month, .

Date: Sun, Dec 28, 2014 at 5:18 AM
Subject: jobs ahead
To: Brad Wechsler [redacted], Melanie Spinella [redacted], Ada Clapp
[redacted]

1. review accounting system. Book keeping softaware. staff, (senior accountant) methods on line banking, brokerage. cash mgmt. airplane reimbursement. boat sale. art purchases sales use and sales tax. tax filings FBAR FATCA, gaming commsion, pfics, insurance . uk co law.
2. review docs for TRA BRH grats, trusts, heritage will, insurance, art lending. medical, springing powers. two fire drill books. one needed for injury. other for death
3 review bills . boats , planes, legal, (PW, McFarlands all outside. legal and accounting. Toms bills over 400k . house projects. south ny ben
4 cashflow projections tax projections , interaction with Apollo accounting tax, Phaidon ,art space ,and Regan. legal accounting. audit
5. children meetings , review to date and allocations
6 review all role in payables. files scanned, no paper
7 review invesmtents for tax basis and unrecognized gain
8 schedule of all hedge funds . redeemables commitments etc.
9 charities pledges strucutre, staff ,

Date: Mon, May 18, 2015 at 2:17 PM
Subject: agenda for tomorrow
To: Jeffrey Epstein <jeevacation@gmail.com>, Melanie Spinella [redacted]
as a reflection on your voiced spirited concerns in the what have you done for me lately category ?
)):: . in the beginning . there was eileen and tom. (eve and adam,-- however it appears, she declined to

eat the apple from the knowledge tree)
. that was it. ada was at the bank but reviewing docs. carlyn was in the kitchen making mush (abel and cain) books as they were mystersiously called was being kept soley by eileen, with little or no input ,correction or advice from tom. herarely if ever asked questions. expenses ie airplane was done in house apollo. (1031 exchange blown etc) at this time
as I recall you got quite annoyed, and agressive and initiated the" talking out of the both sides of your mouth " tiddy, when i suggested that the level of their competence left much to be desired. (ralph lerner's came later) .response - eileen ran the desk, tom is a partner, ralph wrote the book etc
re tax there was almost no oversight of income, estate, gift ,sales and use, transfer excise etc . IRS SEC GAMING NYS. real estate, valuations (many)tax filings- disclosures, etc. re grats trusts defect trusts, llcs corps , trustees , partnerships. foreign corps. 100 bank accounts. gift taxes, , loans, notes. payables. expenses. . , insurance.(life , art, split dollar), cashflows, operating biz, , investments, contingent liabilitiites.(funds , miami) , commitments dividends, BRH TRA, shareholder agreements, bank loan
agreements. wills, construction, , contracts planning permits etc..employ rules. checking account reconciliations, crediti cards. jewelry , cost basis ,(art stock etc.) foundations regs , brokerage accts, old stock certificates. stock options,(environmental solutions still not done !). estate tax calcualtion firedrill, (note ,basis etc) low basis , step ups , however with no accounting system, no reveiw of boat expenses plane expenses etc. . many outside counsel with litle or no coordination.
Paul Weisss , Mcdermit Will, Macfarlanes. Price Waterhouse , Reich, withers bergman, Empire, , akin gump, bbd seidman, Wendy , Apollo in house .
lumber, knowledge universe, ennvironmental, solutions 12 mii in stock, . on and on
the priority list that you asked me to prepare for brad and you in dec , unfortunatlleyso far , little change ie no accounting system that ties, no, brokerage accounts though strongly suggested , jpm db, gs, april of 2014 . IT antiquated
dagastino hired , no inut from me, julie, temps, paralegals miriam . etc.

still need new accounting system - on line banking . staff hires. (seprate from samantha two years out of school). audit system, . ?? john murphy? joslin? dag? eva? . i strongly suggest workers at the highest level of competence. two senior accountants. not managers workers who will get into the weeds. partn expertise, , replace ava, get heather help. a new person legal , new IT,system and person, way way overdue, new receptionist, bill opener, ability to oeversee
in house, boat plane review household (12million) review, filings- partnerhip accounting,- familitarity with grats, trusts etc . audit system put in place. that should be the easy part. then strategy to deal with : As new facts on the ground develop , phaidon debra, children meeetings, ? stock sale sale of art, , apt(large gain), 1031 trade in , plane depreciation, boat sale. construction , brad will oversee brokerage and investment, ?? pe. real es, . publishing, grats, tra, brh (death). foundation , museum, tax proejctions cash flow projections, cooridnation with tax from apollo. etc

Date: Fri, May 29, 2015 at 2:53 AM
Subject: ulysses 2.0
To: Melanie Spinella [redacted]
I realize it is only due to a lack of understanind of the job ahead. and not out of any sense of unwillingess to pay
- as opposed to merely hiring people to set up a family office, someone will have to do the following- separate from the art partnership which is my responsiblity . there still needs to be a huge amount of work done for 2015,16. not to mention that brad at the moment is going to have train the incoming team?? your call strategic decisions re estate and other planning , sale of phaidon etc. . in addition setting up for the accounting for each strategy ie.:
income, estate, gift ,sales and use, transfer excise picasso, 1031 calder. . review and detailed oversite of IRS SEC GAMING NYS. real estate, entity valuations (many) tax filings- disclosures, follow up of grats, trusts ,defective trusts, llcs corps , trustees , partnerships. foreign corps. 100 bank account need to be

rationalized, not only having brad step in to children investments . gift taxes, trust , loans, notes. payables. expenses allocations . . , insurance.(life , art, split dollar), cashflows, operating biz, , investments, contingent liabilitiites.(funds , miami) , commitments funds and charities , dividend treatment -important review of transcations relating to BRH (amendments) TRA sale (nuanced) , shareholder agreements, bank loan agreements new bank relationships. . wills, construction accounting and oversite , contracts planning permits etc..employee rules, regs, . checking account reconciliations, crediti cards. jewelry , cost basis ,(art stock etc.) foundations regs , brokerage accts, . stock options,(ie environmental solutions still not done !). estate tax calcualtion firedrill, (note ,basis etc) review of boat expenses plane expenses, depreciation issues refunds etc. . rationalize all outside counsels and accounting firms
Paul Weisss , Mcdermit Will, Macfarlanes. Price Waterhouse , Reich, withers bergman, Empire, , akin gump, bbd seidman, , Apollo in house counsel.
set up and oversee brokerage accounts at JPM DB GS and thoughfullly trade
. new IT system from top to bottom full time IT person
new accounting system - on- line banking cooridnated with reports . fire drills as per caruci (he sounds good) and . audit system,s . review of john murphy? joslin? dag? eva? .
in house, review household (12million) review, filings- partnerhip accounting,- familitarity with grats, trusts etc . audit system put in place. that should be the easy part. then strategy re:
As new facts on the ground develop , phaidon debra, children meeetings, involvment ,
trustees adjusted, stock sale sale of art, , apt(large gain), 1031 trade in , plane depreciation, boat sale. construction , brad will oversee brokerage and investment, ?? pe?. real estate?, . publishing, grats, tra, brh (death). foundation , museum, tax proejctions cash flow projections, cooridnation with tax from apollo. etc
you are sitting on over 100 m of cash???!!

Subject: Re: we're calling the sales tax guy at 6:30 pm - I'll come to your office
To: Richard Joslin [redacted], Brad Wechsler [redacted], Heather Gray [redacted]

sorry but this is emblematic of the silliness that appears to continue. ..... 1. How can we ask for a legal opinion when it is crystal clear that we don't yet have accurate facts or numbers , f. 2 Invoices have not been reviewed! corporate structure is convoluted and unexplored in detail. (was the boat captain on the call?) 3 Paul weiss is the attny , and should be charged with getting us info. . 4. Bringing in yet another outside lawyer without full vetting and consideration, a waste of time energy and money. . 5. ex. what is the location of charters shown on the invoice? do you know. . ? if th invoices are incorrect, does that give us any comfort in trying to defend an audit. . I saw three invoices only, and each had a different owner or address . .

Date: Mon, May 18, 2015 at 8:17 AM
Subject: agenda for tomorrrow
To: Jeffrey Epstein <jeevacation@gmail.com>, Melanie Spinella [redacted]
as a reflection on your voiced spirited concerns in the what have you done for me lately category ?)):: . in the beginning . there was eileen and tom. (eve and adam,-- however it appears, she declined to eat the apple from the knowledge tree)
. that was it. ada was at the bank but reviewing docs. carlyn was in the kitchen making mush (abel and cain) books as they were mystersiously called was being kept soley by eileen, with little or no input ,correction or advice from tom. herarely if ever asked questions. expenses ie airplane was done in house apollo. (1031 exchange blown etc) at this time
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miami) , commitments dividends, BRH TRA, shareholder agreements, bank loan agreements. wills, construction, , contracts planning permits etc..employ rules. checking account reconciliations, crediti cards. jewelry , cost basis ,(art stock etc.) foundations regs , brokerage accts, old stock certificates. stock options,(environmental solutions still not done !). estate tax calcualtion firedrill, (note ,basis etc) low basis , step ups , however with no accounting system, no reveiw of boat expenses plane expenses etc. . many outside counsel with litle or no coordination.
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in house, boat plane review household (12million) review, filings- partnerhip accounting,- familitarity with grats, trusts etc . audit system put in place. that should be the easy part. then strategy to deal with : As new facts on the ground develop , phaidon debra, children meeetings, ? stock sale sale of art, , apt(large gain), 1031 trade in , plane depreciation, boat sale. construction , brad will oversee brokerage and investment, ?? pe. real es, . publishing, grats, tra, brh (death). foundation , museum, tax proejctions cash flow projections, cooridnation with tax from apollo. etc

Date: Tue, Jun 30, 2015 at 12:23 PM
Subject:
To: Melanie Spinella [redacted]
1.I believe I have heard you , but i wanted to make certain that I have understood
Though after much discussion ,- much! you were adamant that i receive my fee only at the very END of my work, oct 15 , this was a long discussion but you felt very strongly at the time . you now feel that as it was a very large sum of money . some of my time this year should be spent on your recent concept of "after care ". - and that after care should be for free . I have continued to pay others as well.
I have asked and you have previously said you would lay out for me what you thought was encompassed by the concept. that was end of january Training brad?? who was your choice . not mine ,by a long shot. only brought on in january? ? hundreds of hours spent . eileen debrief? 2. boat. plane household ex[penses. personal review? , trying to create accurate ledgers of capital expenses . so to minimize future gain.? 3. phaidon - review from head to toe? though we agreed many times in the past this was not my responsbility, 4. overseeing the opening of trading accts. proposed and sent over first docs in april of 14. .5. art partnership.? we agreed though the draft was sent in sept14 . and still not done though little different from first draft. . 6 picasso contract? 7 art sale 1031 8 airplane review? 9. IT system implementation. ? tra brh sec gaming comm, foerign filing , tax, disclosure. fondation returns. ? planning for 16? not sure . 10. insurane review with josh? stock sale prep. ? filing ?
I am available by phone. you mentioned my travel schedule ----last yea,r I canceled three European trips and two to seatle , none to my benefit.
I have been consistant , I dont have any new proposal , do you ? though i am" complicated" , I have no intention of trying to convince you of value, its silly ,
OOOOOOOOOOOOOOOOOO i think if I have correctly deciphered your sophisticated code - should represent -drool

Date: Tue, Mar 3, 2015 at 5:18 AM
Subject: Fwd:

To: Melanie Spinella [redacted]
lets set a time to speak today if possible . 30 minutes or so. my schedule is tight

From: jeffrey E. <jeevacation@gmail.com>
Date: Mon, Sep 21, 2015 at 6:36 PM
Subject: agenda for today 5 pm?
To: Melanie Spinella [redacted], Brad S Karp [redacted]
1. put someone on asap to ascertain if she is still in london. 2. set up conference will uk criminal and uk counsel. a give them more facts. 3. choose method of message delivery. my choice. - two highly respected former ---- fill in the blank, immigration, scotland yard. sfo. . who may knock on her door and present the terms. 4 if not. an alternative method. 5. Is it possible to find out if she has gone to authorities? tabloid lawyer. 6. have the same types of individuals availble in new york if she decides to return as stated. . i prefer former fbi, or immigration one man one woman. . 7 from opening a DA investigation to arrest. how long? 8 , can we open a file in either jurisdiction, and maintain confidentiality.

Date: Mon, Sep 21, 2015 at 6:48 PM
Subject: Re: agenda for today 5 pm?
To: Melanie Spinella [redacted]
Cc: Brad S Karp [redacted]
I think that Melanie should set up a separate email account for this correspondence. she currently is on an apollo server.
There is not even a good solution . all have substantial risks. we are dealing with a wholly unpredictable and bad minded person. I and Brad can only make suggestions/actions each less than stellar. - that being said we should do our best to have all the facts . options etc. and to distinguish fact from opionion As the consequences of any decision is likely to have some very bad parts , Leon needs to be cognizant of as much as the downside as we can adequately foresee.

Date: Wed, Sep 23, 2015 at 12:07 AM
Subject: Fwd:
To: Melanie Spinella [redacted]
jan 2 of this year
Date: Fri, Jan 2, 2015 at 2:55 PM
Subject:
To: Melanie Spinella [redacted]
Leon, I decided last week that there was little or no upside in disturbing your well earned holiday especiaily as you seemed so peaceful happy and smiley ,getting yourself in shape and truly enjoying your family time. etc. however the situation in your family office is unresolved. I am aware that brad starts monday howver, two last days of the year madness. timber.deal not complete no jpm,acct activity no partnership docs , old stock sales not complete , no bank doc redo. no phaidon note restructure, ., no boat expense review. airplane same ,topco midco.etc still not finished (trustee) , projections mixed with fiction. , legal exp out of control. no care for admin, silly (audit). tom conversation with joslin. notes. debra, trustee notes. trustees hiring . bens audit. interest payable made hoopjumping last day of year. after weeks and months. of lectures , gifts to discuss- staff. -houseproject mgmt. . I will continue to try , I had offered ajoint call with eileen before you left. as i said before , joslin takes instructions from eileen. he said it was made clear to him that he doesn't work for me but works for you. . I tried.

Date: Tue, Sep 29, 2015 at 8:39 PM
Subject:
To: Melanie Spinella [redacted]
jeffrey
Brad Wechsler is asking if you could meet for a half hour with him and Rich Joslin to discuss Use Tax Refund. Below are available dates/times...below that is your schedule. OK for me to schedule in?:

NO sorry not until i hear from leon
leon. to be fair, I had sent the first note to you one year ago . stating that my work would come to an end on oct 15. that day had meaning as everything would be closed. you asked that i continue to help brad. as of nov though he would officially start in jan. I said ok, but ..... " you told me to continue as we would work something out" I told you my fee then was 40 . feb you came with ben while kathy ruemmler was here. and said next week, debra got bad news. and I quickly prioritzed not adding stress to your situation. I wont regurgitate the interim, though millions of dollars were saved since. millions. . it is now one year later and you propose 10 mlllion , plus a contingent fee . I have said that i would work with you , and if contingent and a percentage of something. I strongly believe that is not in your interest. I continue to put our friendship first and dont want you to write a check for over 100million andthe i will have to listen to lewie for the next few years. but if you prefer over my objection a percentage deal then it should be of all savings not just phaidon. (a random concept) . The idea that i am somehow even marginally responsible for neither you nor heather , ever telling me that there was an unresolved issue, though you said you had been pinged a number of times is emblematic .
I can do a call with you and Karp. anytime you like today, but i can assure you 100 percent that there is no light between our positions. ZERO. and he is ready to do his best to try to explain it to you.

Date: Thu, Oct 1, 2015 at 11:03 PM
Subject: Fwd:
To: Melanie Spinella [redacted]
to refresh your recollection, as 4 states. 40 a year for three years. as i said today. . the other was in addtion as you recall.
Date: Thu, Apr 11, 2013 at 4:02 PM
Subject:
To: Melanie Spinella [redacted]
1. 80 percent of contracted job is accomplished, now drafting ,signing and few critical decisions on your part still await , will fill in nec blanks, 1, how much of upside to kids. , 2, protections . 3 allocations. 4. charitiable, inventory, securities,
2 .to engage the second phase if you so choose , and considering there is only 8 more to be paid this year in oct , for the job now almost completed, total of 23. that was agreed only for history fix.
3. with the necessary proprietary protections , proposal is for first year only an additional 17 . making it 40 , but full year balance on signing , ie 25. takes care of 2013
4 , moving forward , 40 per year ,(approx 1 percent) for three years, to be credited against an agreed formula. Im open to suggestions total approx 120 for new workover 3 years , benefits to you over the next 20.
5 , can consider interests other than cash as payment. ?
6. need to speak re , bankers, valuations, mechanics and their continued importance.

Date: Fri, Oct 16, 2015 at 4:38 AM
Subject:
To: Melanie Spinella [redacted]
Office, - ada goes. , hire heather a paralegal . Joslin goes or is closely managed by new cfo with tax experience. . castrucii goes asap.as he merely adds to mess.(too many people , ex 7 people or more to pay a bill) eva goes. outsource as much as possible. . bookkeeping systems built from scratch, airplane restructure, boat . same, new grats. phaidon sale , decide on artspace survivability, regan, . do the kids really want these? , children accounting ie bens house.etc. re do estate for new facts. redo loans, trading accounts activity, . gaming -foreign- disclosures. . BRH TRA re thinks . household and construction architects. . redone. art partnership , choice of paintings. . re do structure of consultants. tax re family office. . decide if investments are a realistic option in the next three years.. insurance. operations. airplane , etc. . art foundation , private . max charity contributions. financial reports. still waiting. ? on line banking, . tax planning, family office deductions (profit center) . airplane certificate, redone jet aviation redo. . paper gigi (E)trust to avoid gift tax. .
today is Oct 15

With your full knowledge I paid out 8 mil to my staff before june, . so i guess I can safely assume that after consideration of all the things I did for the entire past year separate and apart from your unique free "after care" concept. , what you thought was ultimately fair was the contribution of 5 million to a foundation and a total of 2 million dollars to me.

Date: Fri, Oct 16, 2015 at 1:08 PM
Subject:
To: Melanie Spinella [redacted]
I think you should consider the fact that your family office will be the most central component of what you leave to your children , wife heirs. it is the core of your assets. your art might be sold. your houses may lie empty, the apollo stock could be sold. you will pass on your office , . it will be the primary player in your estate tax. probate, transition. Brad has taken it from a D minus to a C minus, If I were you I would set the goal of an A. just like your paintings. . Like a house you could attempt to renovate it. it will take more time and money . or . in essence as I suggested in dec of 13, start from scratch. A financail head of office. - brad could move to being richards replacment as trustee. . barry cohen would be perfect but carries the trustee taint now. . take a tax partner from a major firm. to replace joslin, cost 1 + mil . keep heather and ssmantha. . bring in full time IT person. ASAP . your lighting contractor in your new townhouse has better IT than your multi billlion dollar antique opersation. data breaches are not your concern. precision is. . either re do the office layout . or get enterly new space. the proposals to focus on following on a monthly basis the values of all your current investments is an example of misplaced prioirties. . Your office is the heart of the familys financial life and temp future, it needs a heart operation

Date: Mon, Oct 19, 2015 at 5:10 PM
Subject:
To: Melanie Spinella [redacted]
Radical but my preferred idea. . START from total scratch. there is absolutely nothing worth keeping in your family office except for heather , nothing at all . I remember when i bought my first house in order to renovate and jack robertson said forget it. knock it down start again, I could n't believe it. but he was right. Like your tax returns that were done in triplicate. TOM RICH ALAN. . tom and rich were not really useful in the end. Alan was the only smart one. you should in my opinion Start a brand new office. hire cfo. bring joe over. heather and samantha, run parallel for 6 months and close down the mess of elysium forever. leave your kids a functioning operation professionally constructed and managed. NOT BY ME!!! LAst nov i laid out priorities IT , being the first nothing as of today. in July I said focus on airplane as a test . to examine procedure and proficiency, so far mostly a waste of resources time people etc. Only last week told debra owns 49 percent of plane. no IT to speak of. bens house unaccounted for. tax returns very very sloppy, . boat still argued as third home. . pilots bonuses? , structure unkown by all. cash sitlling at the same time loans outstanding.
Phaidon , looks like close to breakeven in a few years. others totally unknown. Query , do you really want this ? : I m not sure how you both want to have an investment office and have cash flow being eaten by publishing and loans amounts outstanding increased by art. --interest rates will be going up.- . your plane will cost 10 million to refinance - so will boat if sold next year-. art space and regan , both needs more cash. with little return, taxes , art purchases . Part of radical solutition is to sell publishing.altogether. (are the children really interested.) . restrucuture plane from scratch. layers unncessary. simplify crazy structure s bank accounts trading accounts accounts payble. credit cards. etc. The best way to wean yourself away from me is to have someone else do the whole thing from scratch. . move brad to be the replacement for Richard. . he is nice but this is not what he does. Him saying it is soooo fucked up to me , was only an echo of me sayint it to you. .

Subject:
To: Melanie Spinella [redacted]
as brad can attest , I spent time today with joslin, joe. etc. no question at all, a failed experiment. In the words of a banker that made a call on your office. what happened? leon seems to have replaced Eillenn with a

team of Shleppers. ? I know you care little for what they may think , but the legacy you leave your kids is just that. you only have 60 days of planning left for this year. numbers are all over the place.
I recieved a nice call from Karp today, . He touted me as a great friend to you. I am happy to be just that. . He said it was important for me to tell you what others won't. Keep heather , fire EVERYONE else.

Date: Mon, Oct 26, 2015 at 1:10 PM
Subject: CONSTRUCTIVE?
To: Brad Wechsler [redacted] Melanie Spinella [redacted]
1 cash flow projections for 16. . draft ok. i will be easy. i need rought projection. 2. phaidon chart laid out now with who signs in sale of shares vs enitities. ? ie managing memebrs. . 2 . 3 new trusts. Apo-o , dynasty, (does leon want to put in new restrictions per child). - publishing interests. . 3 llc, for investments 4 names insured? guarnatees? art loans. outstanding. sales or use tax owed? 4, comparison of execu jet vs jet aviation. . 5. the bank loan on the jet is going to come due. does leon prefer to extend f they would (he is a guarantor. ?) or will he need to pay 10 million cash to renew, that wiill determine new structure of plane. getting rid of rance, wells fargo, john hannon, lisa gratizaino etc. . 5. boat restructure . 6 grats - if leon decie to have another. 7 accountning for children, .

Date: Mon, Oct 26, 2015 at 7:08 PM
Subject: draft
To: Melanie Spinella [redacted] Brad Wechsler [redacted]
phaidon and art space. combined basis 96 million , (reviewed with brad and joe.) . add ten for restructuring . basis 106. mi. subtract total sale price. for both, lets say approx $8 - 15m . leaving loss of between 90 and 98 million long term loss. . AMT rate 28 % obama . tax 3.8% . city and state 12% total aprox 43 %. tax rate. savings 38.7 - 44 m

0:51 PM (15 hours ago)
to me, Richard, Karen
Good afternoon
Removal of headers in Cabana's 1 and 2 started today
Dock Shelters proposed start date 16 Apr
LSJ staff cottage and Sams kitchen and bath cabinets are due in this week.
Have yet to schedule install.
Will have estimate for GSJ Staff Cottage from EB by the end of the week
Unable to contact Jimmy again regarding thIs project, Reached our Monday to schedule site meeting, got a - No Can Do -
reply !!!
Regards Brice

Date: Mon, Oct 26, 2015 at 8:37 PM
Subject:
To: Brad Wechsler [redacted], Melanie Spinella [redacted]
gain at 20 % not 28. . so total , 35.8%. tax rate. same for boat. and plane each around 10 m so total 7 m savings if both sold

Date: Fri, Jun 3, 2016 at 5:56 PM
Subject:
To: Heather Gray [redacted]
heather leon seems to not recall the issue of finding an alternative to the eschange agents resale cerificate. he didnt remeebr you suggesting a gallery instead. you mentioned that he did not want to get another gallery involved. ? has any of the transactions been audited using this method , which even i find agressive.

Date: Fri, Jun 3, 2016 at 3:02 PM

Subject: RE:
To: "jeffrey E." <jeevacation@gmail.com>
Hi Jeffrey,

As you will recall, we used this same exchange agent last year on the Calder 1031. At the time, we discussed the merits of using a gallery versus a commercial exchange agent and my recommendation to Leon was to use a gallery. I felt that there were advantages to using a commercial exchange agent instead of a gallery on the 1031 side (e.g., less likelihood of a breach of confidentiality, IRS familiarity with CDEC in the event of an audit, security of funds), but that a commercial exchange agent gave us less comfort on the sales tax side. Leon did not want to use a gallery because he was concerned about confidentiality and he did not want to have to ask a gallery that he did not do much business with to act as exchange agent.

When Leon first discussed the exchange for the Cezannes with me a few weeks ago, I asked him if he wanted to use the same exchange agent as last year, or if he wanted to use a gallery. I said that a gallery carried little to no risk on the sales tax side, but I reminded him that he had not wanted to use a gallery last year for the Calder because of confidentiality reasons. He said to use the same exchange agent as before, which made sense to me because he was extremely concerned about confidentiality with the purchase of the Cezannes.

I will find out about sales tax audits and will let you know. The exchange agent has had a New York resale certificate since 2014 and has been engaged in art transactions like this since then, but I do not believe they have been audited. I will check, though, and I will also ask the Herrick lawyer if any of his clients who have done similar deals have been audited.

Best,
Heather

--

please note
The information contained in this communication is confidential, may be attorney-client privileged, may constitute inside information, and is intended only for the use of the addressee. It is the property of
JEE
Unauthorized use, disclosure or copying of this communication or any part thereof is strictly prohibited and may be unlawful. If you have received this communication in error, please notify us immediately by return e-mail or by e-mail to jeevacation@gmail.com, and destroy this communication and all copies thereof, including all attachments. copyright -all rights reserved

2012 WL 257568 (C.A.2) (Appellate Brief)
United States Court of Appeals, Second Circuit.

In re: TERRORIST ATTACKS ON SEPTEMBER 11, 2001.

Nos. 11-3294-cv(L), 11-3407-cv(CON), 11-3490-cv(CON), 11-3494-cv(CON), 11-3495-cv(CON), 11-3496-cv(CON), 11-3500-cv(CON), 11-3501-cv(CON), 11-3502-cv(CON), 11-3503-cv(CON), 11-3505-cv(CON), 11-3506-cv(CON), 11-3507-cv(CON), 11-3508-cv(CON), 11-3509-cv(CON), 11-3510-cv(CON), 11-3511-cv(CON).
January 20, 2012.

On Appeal from the United States District Court for the Southern District of New York

Appellants' Consolidated Brief with Respect to Dismissals for Failure to State a Claim and Foreign Sovereign Immunity

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*i Corporate Disclosure Statement

In accordance with Federal Rule of Appellate Procedure 26.1, appellants certify as follows:

11-3509 (Ashton v. Al Qaeda Islamic Army):

Appellants are natural persons.

11-3503, 11-3505, 11-3506, 11-3507 (Burnett v. Al Baraka Investment & Development Corp.):

Appellants are natural persons.

11-3508 (Cantor Fitzgerald & Co. v. Akida Bank Private Limited):

Appellants Cantor Fitzgerald & Co.; Cantor Fitzgerald Securities; Cantor Fitzgerald, L.P.; C02e.com, LLC (now known as Cantor C02e, LLC); and Cantor Index Limited have no parent corporation and there is no public corporation that holds more than 10% of any of them.

Appellant eSpeed, Inc. (now known as BGC Partners, Inc.) has no parent corporation and there is no public corporation that holds more than 10% of it; BCG Partners, Inc. is publicly-held.

Appellants Cantor Fitzgerald Associates, L.P. (now known as BGC Capital Markets, L.P.); Cantor Fitzgerald Brokerage, L.P. (now known as BGC Environmental Brokerage Services, L.P.); Cantor Fitzgerald International (now known as BGC International); Cantor Fitzgerald Partners (now known as Seminole Financial); eSpeed Securities, Inc. (now ***ii** known as

Aqua Securities, L.P.); Tradespark, L.P; and eSpeed Government Securities, Inc. (now known as eSpeed Brokerage, L.P.) have no parent corporation; BGC Partners, Inc., a publicly-traded corporation, owns more than 10% of each of them.

The parent company of Appellant Cantor Fitzgerald Europe is Cantor Fitzgerald, L.P.; no publicly-traded corporation owns more than 10% of it. *11-3510 (Continental Cas. Co. v. Al Qaeda Islamic Army):*

Appellants Transcontinental Insurance Company, Transportation Insurance Company, National Fire Insurance Company of Hartford and American Casualty Company of Reading, Pennsylvania are wholly-owned subsidiaries of plaintiff-appellant Continental Casualty Company; plaintiff-appellant Valley Forge Insurance Company is a wholly-owned subsidiary of plaintiff-appellant American Casualty Company of Reading, Pennsylvania; and plaintiff-appellant Continental Casualty Company is a wholly-owned subsidiary of CNA Financial Corp., which is publicly traded.

11-3294, 11-3407 (Estate of John P. O'Neill v. Republic of Iraq):

The Estate is not a corporate entity.

***iii** *11-3496, 11-3500, 11-3501, 11-3502 (Euro Brokers, Inc. v. Al Baraka Inv. & Dev. Corp.):*

Appellant BGC Brokers US, L.P. (successor to Euro Brokers, Inc.) has no parent corporation; BGC Partners, Inc., a publicly-traded corporation, indirectly owns more than 10% of it.

Appellant BGC Financial, L.P. (f/k/a Maxcor Financial, Inc.) has no parent corporation; BGC Partners, Inc., a publicly-traded corporation, indirectly owns more than 10% of it.

BGC Financial Asset Management, Inc. (successor to Maxcor Financial Asset Management, Inc.) dissolved December 23, 2010.

Appellant BGC Information, L.P. (successor to Maxcor Information, Inc.) has no parent corporation; BGC Partners, Inc., a publicly-traded corporation, indirectly owns more than 10% of it.

Seminole Financial Limited (successor to Euro Brokers Ltd.) has no parent corporation; BGC Partners, Inc., a publicly-traded corporation, indirectly owns more than 10% of it.

Appellant Tradesoft Technologies, Inc. has no parent corporation; BGC Partners, Inc., a publicly-traded corporation, indirectly owns more than 10% of it.

***iv** Appellant Euro Brokers Financial Services Limited dissolved April 23, 2008.

Appellant Euro Brokers Mexico, S.A. de C.V. has no parent corporation; BGC Partners, Inc., a publicly-traded corporation, indirectly owns more than 10% of it.

Appellant Euro Brokers (Switzerland) S.A. has no parent corporation; BGC Partners, Inc., a publicly-traded corporation, indirectly owns more than 10% of it.

11-3490, 11-3494, 11-3495, 11-3511 (Federal Ins. Co. v. al Qaida):

Appellants Federal Insurance Company, Pacific Indemnity Company, Chubb Custom Insurance Company, Chubb Indemnity Insurance Company, Chubb Insurance Company of Canada, Chubb Insurance Company of New Jersey, Great Northern Insurance Company, and Vigilant Insurance Company are members of the Chubb Group of Insurance Companies. Appellants' parent organization, The Chubb Corporation, a publicly traded corporation, owns more than 10% of their stock.

Appellants One Beacon Insurance Company, One Beacon America Insurance Company, American Employers' Insurance Company, The Camden Fire Insurance Association, and Homeland Insurance Company of New York are members of the One Beacon Insurance Group. Appellants' ***v** parent organization, White Mountains Insurance Group Ltd., a publicly traded corporation, owns more than 10% of their stock.

Appellant TIG Insurance Company is a member of the Fairfax Financial Group. Appellant's parent organization, Fairfax Financial Holdings Ltd, a publicly traded corporation, owns more than 10% of their stock.

Appellants American Alternative Insurance Corporation, Great Lakes Reinsurance U.K. PLC, and The Princeton Excess and Surplus Lines Insurance Company are members of the Munich Re Group. Appellants' parent organization, Muenchener Rueckversicherungs-Gesellschaft Aktienqesellschaft, a publicly traded corporation, owns more than 10% of their stock.

Appellant Allstate Insurance Company is a member of The Allstate Insurance Group. Allstate Insurance Company is wholly owned by The Allstate Corporation, a publicly traded corporation.

Appellants Boston Old Colony Insurance Company, The Continental Insurance Company, Commercial Insurance Company of Newark, NJ, CNA Casualty of California, Continental Insurance Company of New Jersey, Fidelity and Casualty Company of New York, Glens Falls Insurance Company, and National Ben Franklin Insurance Company of Illinois are ***vi** members of the CNA Insurance Companies. Appellants' parent organization, the CNA Financial Corporation, a publicly traded corporation, owns more than 10% of their stock.

Appellant Hiscox Dedicated Corporation Member, Ltd. is a member of Lloyds' Syndicate 33.

Appellants ACE American Insurance Company, ACE Capital V Ltd for itself and as representative of all subscribing underwriters for ACE Global Markets Syndicate 2488, ACE Bermuda Insurance Ltd, ACE INA (Canada), ACE Indemnity Insurance Company, ACE Insurance SA-NV, ACE Property & Casualty Insurance Company, Atlantic Employers Insurance Company, Bankers Standard Insurance Company, Indemnity Insurance Company of North America, Insurance Company of North America, Westchester Fire Insurance Company, Westchester Surplus Lines Insurance Company, and Pacific Employers Insurance Company are members of ACE INA Group. Appellants' parent organization, ACE Limited, a publicly traded corporation, owns more than 10% of their stock.

Appellant Woburn Insurance Ltd. is a captive insurance company, wholly owned by Viacom Inc.

Appellants AXA Corporate Solutions Assurance, AXA Corporate Solutions Insurance Company, AXA Corporate Solutions Assurance UK ***vii** Branch, AXA Corporate Solutions Assurance (Canada), AXA RE Asia Pacific Pte. Limited, AXA RE, AXA RE Canadian Branch, AXA RE UK Plc., AXA Corporate Solutions Reinsurance Company, AXA Art Insurance Corporation, SPS Reassurance, AXA Re Madeira Branch, Compagnie Gererale de Reinsurance de Monte Carlo, AXA Versicherung AG, AXA Cessions and AXA Global Risks UK, Ltd. are members of the AXA Group. Appellants' parent organization, AXA S.A., a publicly traded corporation, owns more than 10% of their stock

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*1 Preliminary Statement

Plaintiffs-Appellants are family members of the nearly 3,000 people killed in the September 11, 2001 terrorist attacks; thousands of individuals who were severely injured as a result of the attacks; and commercial entities that incurred billions of dollars of property damage and other losses as a result of the attacks (collectively "the September 11th plaintiffs" and/or "plaintiffs"). Consistent with the rights conferred upon them by the Anti-Terrorism Act (ATA), Torture Victim Protection Act (TVPA), Alien Tort Statute (ATS), and long-standing principles of common law concerted action liability, plaintiffs brought these lawsuits, which were consolidated below by the Judicial Panel on Multi-District Litigation, to hold accountable the charities, financial institutions, individuals and other parties that knowingly provided material support or resources to al-Qaeda for more than a decade before September 11, 2001, and thereby provided al-Qaeda with the means to successfully conceive, plan, coordinate, and carry out the September 11th Attacks. The district court dismissed plaintiffs' claims against five defendants-appellees ("Defendants") pursuant to Fed.R.Civ.P. 12(b)(6), holding that, despite the existence of remedies specifically designed for victims of terrorist attacks, plaintiffs ***2** were entitled to seek *no* relief against those who had supported, conspired with, and/or aided and abetted al-Qaeda in carrying out the worst terrorist attack ever to take place on American soil.[1] This Court should reverse the district court's rulings with respect to these Defendants -- Al Rajhi Banking & Investment Corp. ("Al Rajhi Bank"), Saudi American Bank, Saleh Abdullah Kamel, Dallah al Baraka, and Dar-Al-Maal Al Islami ("DMI") Trust -- because the pleadings sufficiently allege that each of these Defendants knowingly provided material support and resources to al Qaeda in the years leading up to the September 11th Attacks, so that each of them is properly held accountable under the ATA, the TVPA, RICO, the ATS, and/or the common law.

Taken collectively, the facts and allegations contained in the plaintiffs' complaints, RICO and More Definite Statements, and extrinsic materials formed a vast record, spanning literally tens of thousands of ***3** pages. Evaluated in a manner consistent with the standards of review for motions addressed to the adequacy of pleadings, the vast record presented by plaintiffs to the district court established that plaintiffs' allegations were sufficient to state claims against the Defendants under the ATA and other relevant causes of action.

In the face of these extraordinarily detailed and supported pleadings, which more than satisfied the requirements of Rule 8, the district court nonetheless held plaintiffs to an improper *heightened* pleading standard, specially applicable to cases involving allegations of terrorism. Nothing in the Federal Rules of Civil Procedure, and no precedent of this Court or any other of which plaintiffs are aware, authorized this heightened standard, nor is such a heightened standard appropriate for plaintiffs who have suffered such grievous injuries or for defendants who are alleged to have committed such heinous acts.

The district court also ignored the wealth of details provided by plaintiffs in their supplemental filings, failed to credit the allegations in the pleadings, and failed to draw inferences in the plaintiffs' favor. The court also misconstrued the scope of the Alien Tort Statute, under the erroneous belief that acts of international terrorism do not, in and of themselves, ***4** violate the "laws of nations" unless they involve the hijacking of an airplane. The court also applied the wrong statute of limitations to certain of plaintiffs' claims and misconstrued the scope of the TVPA. The combination of these errors resulted in the dismissal of all of plaintiffs' claims against some of the most significant financial institutions that provided knowing support to al-Qaeda, enabling it to train the September 11 hijackers and plan and carry out the attacks. And, in dismissing three Defendants on the basis of sovereign immunity, the district court applied a decision of this Court that has since been overruled.

This Court should reverse the judgment of the district court and hold that plaintiffs may pursue their claims against these financial sponsors of terrorism.

Statement Of Subject Matter and Appellate Jurisdiction

The United States District Court for the Southern District of New York had subject matter jurisdiction over these actions pursuant to 28 U.S.C. § 1330, 1331, 1332, 1350, 1367, 1407, and 1605, 18 U.S.C. §§ 1964 and 2338, and 49 U.S.C. §40101.

Plaintiffs assert claims under the Anti-Terrorism Act, 18 U.S.C. §§ 2331 *et seq.*, and under the Racketeer-Influenced and Corrupt Organizations ("RICO") statute, ***5** 18 U.S.C. §§ 1962 *et seq.*, which conferred jurisdiction on the district court through the specific grants of jurisdiction applicable to each statute and pursuant to 28 U.S.C. § 1331. In some of the underlying cases, plaintiffs and defendants were diverse, in that defendants were citizens of foreign states or of states different from the states in which plaintiffs were citizens. Plaintiffs who are not U.S. persons assert claims for violations of international law, over which the district court had jurisdiction pursuant to the Alien Tort Statute, 28 U.S.C. § 1350. The district court further had supplemental jurisdiction over plaintiffs' common law claims pursuant to 28 U.S.C. § 1367. Where defendants claimed immunity under the Foreign Sovereign Immunities Act and plaintiffs asserted the application of one or more exceptions to immunity, the court had jurisdiction pursuant to 28 U.S.C. §§ 1330 & 1605. In addition, actions originally filed in other jurisdictions were transferred to the Southern District of New York by the Judicial Panel on Multidistrict Litigation pursuant to 28 U.S.C. § 1407.

This Court has appellate jurisdiction of this matter pursuant to 28 U.S.C. § 1291. The district court dismissed defendants in this case in six orders dated January 18, 2005 (*In re Terrorist Attacks on September 11, 2001*, 349 F. Supp. 2d 765 ("*Terrorist Attacks*") (S.D.N.Y 2005)); September ***6** 21, 2005 (*In re Terrorist Attacks on September 11, 2001*, 392 F. Supp. 2d 539 ("*Terrorist Attacks II*") (S.D.N.Y 2005)); November 20, 2006 (*In re Terrorist Attacks on September 11, 2001*, 462 F. Supp. 2d 561 ("*SAMBA I*") (S.D.N.Y. 2006)); December 14, 2006 (*In re Terrorist Attacks on September 11, 2001*, 464 F. Supp. 2d 335 ("*DMI-Kamel*") (S.D.N.Y. 2006)); June 17, 2010 (*In re Terrorist Attacks on September 11, 2001*, 718 F. Supp. 2d 456 ("*Terrorist Attacks IV*") (S.D.N.Y. 2010)); and September 13, 2010 (*In re Terrorist Attacks on September 11, 2001*, 740 F. Supp. 2d 494 ("*Terrorist Attacks V*") (S.D.N.Y. 2010)).[2] Additional defendants remain in the case, which is still pending below. On July 14, 2011, the district court entered a partial final judgment pursuant to Rule 54(b) of the Federal Rules of Civil Procedure in favor of 75 defendants dismissed in those four orders, including each of the appellees. Plaintiffs timely filed their notices of appeal on August 9, 2011, August 10, 2011, and August 11, 2011.

Statement of Issues Presented for Review

1. Whether plaintiffs' allegations, accepted as true and with all reasonable inferences drawn from them in plaintiffs' favor, constitute a ***7** *prima facie* showing that each of five defendants, for purposes of 18 U.S.C. § 2333, knew that or recklessly disregarded whether al-Qaeda was the recipient of the financial and other support each defendant was providing to al-Qaeda.

2. Whether, for purposes of claims asserting violations of "the law of nations" under the Alien Tort Statute, 28 U.S.C. § 1350, such violations include acts of international terrorism or are limited to the hijacking of commercial airplanes.

3. Whether claims arising under the Torture Victim Protection Act, 28 U.S.C. § 1350 note, can be asserted against defendants who are not natural persons, including corporations and other legal entities.

4. Whether plaintiffs' allegations, accepted as true and with all reasonable inferences drawn from them in plaintiffs' favor, constitute a *prima facie* showing that defendants who provided material support to al-Qaeda owed a duty of care, in relation to negligence claims, to victims of an al-Qaeda attack in the United States.

5. Whether plaintiffs' intentional tort claims related to the September 11, 2001 attacks in Virginia and Pennsylvania are subject to New York's one-year statute of limitations.

***8** 6. Whether plaintiffs' intentional tort claims related to the September 11, 2001 attacks in New York, Virginia, and Pennsylvania are subject to equitable tolling even if subject to New York's one-year statute of limitations.

7. Whether the dismissals of three defendants, based on a decision of this Court construing 28 U.S.C. § 1605(a)(5), should be vacated because this Court has overruled that earlier decision since the filing of notices of appeals.

Statement of The Case

Nature of the Case and Course of Proceedings

On September 11, 2001, members of the al-Qaeda[3] terrorist organization hijacked four commercial airliners and used those planes as weapons in a coordinated attack on the United States ("the September 11th Attacks"). The September 11th Attacks were the culmination of a campaign to wage jihad against the United States, set in motion with the formation of al-Qaeda in 1988 and made possible by the massive financial, logistic, and material support provided to al-Qaeda by its collaborators and ***9** sympathizers over a period of many years. That support allowed al-Qaeda to build the global infrastructure necessary to plan and conduct the September 11th Attacks.

Through their suits, plaintiffs seek to hold accountable the states, purported charities, banks, organizations and individuals who knowingly provided material support or resources to al-Qaeda, thereby making the September 11th Attacks possible. Plaintiffs' complaints assert claims under the Anti-Terrorism Act, Alien Tort Statute, Torture Victim Protection Act, and common law theories of concerted action liability. Plaintiffs initiated their respective actions between August 15, 2002 and September 2, 2004.

In presenting their substantive claims and theories of jurisdiction against the defendants, and in responding to the various motions to dismiss, plaintiffs offered detailed factual allegations in their respective complaints concerning the origins of al-Qaeda, the vast infrastructure that fueled that organization's growth and development, and al-Qaeda's systematic and public targeting of the United States and its citizens beginning in 1988. JA3775-78.[4] Within this broader framework, the ***10** pleadings described the particular character of the defendants' collaboration with al-Qaeda, and the nature of the material support and resources they provided to al-Qaeda in furtherance of its jihad against the United States. JA3602-3728, 3778-3876.

Plaintiffs in virtually all cases later filed one or more amended complaints, and numerous RICO Statements and/or More Definite Statements as to individual defendants, which served to amend their respective complaints.[5] Those supplemental pleadings offered additional details concerning the individual defendants' roles in supporting al-Qaeda, based largely on the flow of new evidence and information uncovered as a result of the intensive investigations initiated following the September 11th Attacks concerning the sources of al-Qaeda's vast financial and logistical support.

On December 9, 2003, the Judicial Panel on Multidistrict Litigation issued an order transferring the *Burnett* action from the District of Columbia to the Southern District of New York and consolidating all then-indicated, citations to the record refer to the docket numbers on the MDL 1570 docket sheet. ***11** pending cases against al-Qaeda's material sponsors and supporters arising from the September 11th Attacks. The September 11th MDL was assigned to Judge Richard Casey, who presided over the consolidated proceedings until his death on March 22, 2007. On April 20, 2007, the September 11th MDL was re-assigned to Judge George Daniels, who has since presided over the trial court proceedings.

Between 2002 and 2005, approximately 100 defendants entered appearances in the cases comprising the September 11th MDL and, with one exception, moved to dismiss the claims against them. In general terms, the defendants' motions sought dismissal principally under one or more of the following theories: (1) lack of subject matter jurisdiction under the Foreign Sovereign Immunities Act (FSIA); (2) lack of personal jurisdiction; and/or (3) failure to state a claim.

In response to defendants' motions seeking dismissal for lack of personal jurisdiction and/or subject matter jurisdiction and under the Foreign Sovereign Immunities Act (FSIA), plaintiffs supplemented their already detailed allegations record relevant to those jurisdictional disputes through extrinsic information and evidence filed in support of their oppositions to the Defendants' motions to dismiss. These materials ***12** included, *inter alia*, governmental and intelligence reports, documents released in response to Defendants' Freedom of Information Act (FOIA) requests, U.S. filings in criminal trials, Congressional testimony, analyses authored by counterterrorism experts and think tanks, Treasury Department statements concerning designations of terror sponsors and supporters pursuant to Executive Order 13224, as well as relevant public reporting.

On January 18, 2005, Judge Casey issued his decision in *Terrorist Attacks I*, dismissing claims against, *inter alia*, the Kingdom of Saudi Arabia and several Saudi Princes on sovereign immunity and personal jurisdiction grounds. Judge Casey held that the FSIA protected the Princes from claims arising from actions undertaken in their official capacities. SPA25. The decision also dismissed claims against Al Rajhi Bank in the *Burnett* action for failure to state a claim, a ruling that was then extended to the remaining MDL cases by Order dated May 5, 2005. SPA57, 2548-51.

On September 21, 2005, Judge Casey issued a second opinion, *Terrorist Attacks II*, dismissing claims in certain of the MDL cases against two additional Saudi Princes, again on FSIA and personal jurisdiction grounds, as well as claims against the Saudi High Commission for Relief of ***13** Bosnia & Herzegovina (SHC), a purported charity operating as an alter-ego of the Saudi government, also under the FSIA. SPA76-77, 81, 98.

On December 16, 2005, the district court certified as final pursuant to Rule 54(b) its orders of January 18, 2005, May 5, 2005, and September 21, 2005 with respect to the Kingdom, Princes, SHC, and several other defendants, but not as to Al Rajhi Bank. Docket # 1554.

Plaintiffs filed appeals as to the dismissals of the Kingdom, five Princes and SHC, and a panel of this Court issued a decision concerning those appeals on August 14, 2008. *Terrorist Attacks III*, 538 F.3d 71. Affirming the dismissals of the Kingdom and SHC, the Panel held that tort claims against foreign states for injuries resulting from a terrorist attack on U.S. soil may not be brought under the FSIA's non-commercial torts exception, 28 U.S.C. §1605(a)(5), but must instead be brought exclusively under the FSIA's so-called State Sponsor of Terrorism exception, 28 U.S.C. §1605A. *Id.* at 80-86. Because Saudi Arabia is not a designated State Sponsor of Terrorism, the Panel deemed the Kingdom and SHC immune from the September 11th plaintiffs' tort claims. *Id.* In also affirming dismissals of four of the Princes for conduct undertaken in their official capacities, the Panel ruled that individual foreign officials are entitled to ***14** the protections of the FSIA. *Id.* at 90-92. Finally, the Panel affirmed the dismissals of all five Princes for claims arising from their personal, nongovernmental activities, holding that the exercise of personal jurisdiction over them for the claims as pled would not comport with due process. *Id.* at 93-95.

Plaintiffs thereafter sought review by the U.S. Supreme Court of each of these three principal holdings. In response to a request from the Supreme Court, the United States filed an amicus brief on May 29, 2009, expressing its views that this Court's reasoning was flawed with respect to each of the holdings. Br. for the United States, *Federal Ins. Co. v. Kingdom of Saudi Arabia*, 2009 WL 1539068 (2009). With regard to the decision's due process analysis, the United States stated "[i]t is unclear precisely what legal standard the court of appeals applied in affirming the district court's holding that it lacked personal jurisdiction over the Princes for their personal actions .... To the extent the court of appeals' language suggests that a defendant must specifically intend to cause injury to residents in the forum before a court there may exercise jurisdiction over him, that is incorrect. It is sufficient that the defendant took 'intentional * * * tortious, actions' and 'knew that the brunt of th[e] injury would be felt' in the ***15** foreign forum." *Id.* at *19, (*quoting Calder v. Jones*, 465 U.S. 783, 789-790 (1984)). Even so, the United States argued that the questions presented by the Petition did not warrant review by the Court. *Id.* at *22. The Supreme Court denied the petition for review. *Federal Ins. Co. v. Kingdom of Saudi Arabia*, 129 S. Ct. 2859 (2009).

A few months later, the Supreme Court accepted review of another case raising the applicability of the FSIA to claims against individual foreign officials and unanimously held that the FSIA does not apply to individual officials of foreign states. *Samantar v. Yousuf, et al.*, 130 S. Ct. 2278 (2010). This Court subsequently acknowledged that *Samantar* "abrogated [*Terrorist Attacks III*] insofar as it held FSIA applied to individual officials." *Carpenter v. Republic of Chile*, 610 F.3d 776 (2d Cir. 2010).

Throughout the course of the prior appeals to this Court and related proceedings before the Supreme Court, approximately 90 initial Rule 12 motions remained pending before the district court. Following *Terrorist Attacks III*, the district court directed the parties to submit supplemental briefs concerning the import of that decision to the remaining motions to ***16** dismiss, as well as lists identifying those defendants' motions as to which the holdings in *Terrorist Attacks III* were dispositive.

In their submissions, plaintiffs conceded that *Terrorist Attacks III* was dispositive as to the immunity defenses asserted by the Saudi Red Crescent Society (SRC) and Saudi Joint Relief Committee for Kosovo and Chechnya (SJRC), two purported charity alter-egos of the Kingdom. As *Terrorist Attacks III* purported to resolve the entitlement of only *senior* foreign officials to FSIA immunity, plaintiffs asserted that the import of that holding as to the immunity defenses asserted by several remaining defendants, who allegedly held more junior positions in foreign governments, was unclear. Struggling to interpret the precise meaning of *Terrorist Attacks III's* personal jurisdiction holding, plaintiffs submitted that the decision could be interpreted as drawing a distinction between direct and indirect support of terrorism for due process purposes, and that *Terrorist Attacks III* should not be read to allow defendants with direct ties to al-Qaeda to evade jurisdiction. Plaintiffs expressly reserved their right to argue on appeal that, among other things, a rule immunizing indirect sponsors of terrorism from the jurisdiction of U.S. courts for injuries ***17** suffered in the United States on due process grounds is incorrect and inconsistent with controlling precedent.

For their part, the defendants asserted that *Terrorist Attacks III* should be read to require, for purposes of due process, a showing that the defendant "intentionally provided funding to support the September 11 attacks against the United States." R.2140, 1-2, 13.

On February 4, 2009, plaintiffs filed a Notice of Supplemental Authority bringing to the district court's attention the Seventh Circuit's decision in *Boim v. Holy Land Foundation for Relief and Development*, 549 F.3d 685, 693 (7th Cir. 2008 (en banc) (*Boim III*). R. 2156. In its decision, the Seventh Circuit comprehensively discussed the substantive liability standards governing civil claims under the ATA, and the findings and policies that prompted the Legislative and Executive Branches to establish a civil cause of action for the benefit of terror victims against material sponsors and supporters of terrorism. The *Boim III* court held that liability under the ATA extends to any person who knowingly or recklessly provided material support or resources to the terrorist organization responsible for the plaintiff's injuries, whether directly or indirectly, and that a plaintiff in an ATA case need not allege any specific or temporal link ***18** between the defendant's support and the attack producing the plaintiff's injury. *Id.* at 688-702.

On June 17, 2010, Judge Daniels issued an opinion, *Terrorist Attacks IV*, resolving the motions to dismiss of thirty-seven defendants, and holding that thirty-six of those defendants were entitled to dismissal for lack of personal jurisdiction. SPA152-211. The defendants dismissed through that decision included Appellees Abdullah bin Laden, Bakr bin Laden, Omar bin Laden, Tariq bin Laden, Yeslam bin Laden, Dallah Avco Trans-Arabia Co. Ltd. (Dallah Avco), DMI Administrative Services, Faisal Islamic Bank, Saleh al Hussayen, Yousef Jameel, Abdulrahman bin Mahfouz, Khaled bin Mahfouz, National Commercial Bank (NCB), Abdullah al Obeid (Obeid), Abdullah al Rajhi, Saleh al Rajhi, Suleiman al Rajhi, Schreiber & Zindel Treuhand Anstalt, Frank Zindel, Engelbert Schreiber, Sr., Engelbert Schreiber, Jr., Al Shamal Islamic Bank (Shamal), Abdul Rahman al Swailem (Swailem), Tadamon Islamic Bank (Tadamon), Abdullah Muhsen al Turki (Turki), Martin Wachter, Erwin Wachter, Sercor Treuhand Anstalt, and Asat Trust (Asat).

Generally, the district court predicated the dismissals of those Appellees on its conclusions that: (1) a defendant's indirect funding of al- ***19** Qaeda through a charitable intermediary "is, under controlling Second Circuit law, of no jurisdictional import," *see* SPA196; or (2) plaintiffs were required, but failed, to present allegations and facts sufficient to demonstrate the defendant's "specific intent that [his support for al-Qaeda] be used to aid al-Qaeda in the commission of a terrorist attack against the United States, *see* SPA197. In certain cases, the district court went further, appearing to require allegations or facts (or even evidence) directly linking the defendant to the September 11th Attacks. *See* SPA194.

On September 13, 2010, Judge Daniels issued another decision concerning the motions to dismiss for lack of personal jurisdiction of an additional seven defendants, and thirty-three defendants' motions to dismiss for failure to state a claim. SPA214-253 (*Terrorist Attacks V*, 740 F. Supp. 2d 494). The district court granted the motions of all seven defendants seeking dismissal for lack of personal jurisdiction, thereby dismissing Appellees Abdullah Naseef (Naseef), Sulaiman al-Ali (Ali), Adnan Basha (Basha), Jamal Khalifa (Khalifa), Aqeel Al-Aqeel (Aqeel), Yassin al Kadi (al Kadi), and Soliman al-Buthe (al-Buthe). SPA217-227. The reasoning in support of those dismissals generally followed that offered by the district court relative to the dismissals in *Terrorist Attacks* ***20** *TV*. As a component of its rulings dismissing two of the defendants-Appellees, the district court specifically held that a defendant's "terrorist designation" by the U.S. government for sponsoring al-Qaeda is insufficient to confer personal jurisdiction, *Terrorist Attacks V*, 740 F. Supp. 2d at 508, and that a defendant's status as "a key al Qeda operative" and direct participation in several al-Qaeda plots and attacks other than **9**/**11** was insufficient to establish jurisdiction absent an allegation that he "played any role in the **9**/**11** terrorist attacks" or "had authority to steward the direction of al-Qaeda's terrorist operation." SPA223. *Terrorist Attacks* Valso granted motions to dismiss for failure to state a claim, under the Anti-Terrorism Act, of Appellees Dar al-Maal-al Islami Trust (DMI Trust), Saleh Abdullah Kamel (Kamel), and al Baraka Investment and Development Corp (al Baraka). The dismissal was primarily based on the conclusion that plaintiffs did not adequately allege that those defendants knew, or recklessly disregarded, that the recipients of their support advanced al-Qaeda's activities -- despite plaintiffs' detailed pleading of defendants' extensive dealings with al-Qaeda and its network of supporting entities. The Court also granted particular defendants' motions ***21** to dismiss claims predicated on the Torture Victims' Protection Act, the Alien Tort Statute, RICO, and common law causes of action.

On October 7, 2010, the parties jointly requested that the district court enter Rule 54(b) final judgments in favor of all defendants dismissed through *Terrorist Attacks IV* and *Terrorist Attacks V*, as well as with respect to dismissals effectuated through the *Terrorist Attacks I* and *Terrorist Attacks II* decisions, to the extent not within the scope of the January 10, 2006 Rule 54(b) judgment. Seventy-five defendants fell within the scope of that joint request.

The district court granted the parties' joint request for entry of Rule 54(b) judgments on July 13, 2011, and the clerk of court entered final judgment in favor of the seventy-five defendants pursuant to Rule 54(b) on July 14, 2011. Plaintiffs in all actions filed timely Notices of Appeal as to all Rule 54(b) defendants within the scope of their respective actions.

Following the filing of plaintiffs' Notices of Appeal, this Court issued its decision in *Doe v. Bin Laden*, 663 F.3d 64, 2011 U.S. App. Lexis 22516 (2d Cir. 2011) (per curiam), another of the cases comprising the September 11th MDL. In *Doe*, the Court held that the FSIA's "terrorism exception, rather than limiting the jurisdiction conferred by the noncommercial tort ***22** exception, provides an *additional* basis for jurisdiction." *Id*. at *19 (emphasis added). Therefore, the Court concluded, "the noncommercial tort exception [§ 1605(a)(5)] can be a basis for a suit arising from the terrorist acts of September 11, 2001." *Id*. The Court remanded the case against Afghanistan for jurisdictional discovery. *Id*. at *20-21.

The Court recognized that its holding conflicted with and abrogated the prior panel's decision in *Terrorist Attacks III*, and noted that the Circuit had employed its mini-en *banc* procedure, whereby the new decision had been circulated to all active judges and had received no objections, including from members of the panel that decided *Terrorist Attacks III. Id*. at *19-20 n.10. *Doe*, therefore, is now the law of this Circuit, and *Terrorist Attacks Ill's* holding regarding § 1605(a)(5) has been overruled. *See Frontera*, 582 F.3d at 400 (applying the mini-en *banc* process and holding that "to the extent that" an earlier opinion "conflicts with our holding today ... it is overruled").

In light of *Doe*, plaintiffs moved this Court to summarily vacate the dismissals in favor of defendants' SRC, SJRC and NCB, and remand those claims for discovery, on the grounds that *Doe* abrogates and overrules the legal basis for those dismissals. Appellants' Motion to Summarily Vacate ***23** and Remand, Case No. 11-3294, Docket # 243, at p. 7. Those defendants sought and received an extension of time until January 23, 2012 to respond to that Motion, which remains pending as of the date of the filing of this brief.

In an effort to narrow the scope of these appeals, plaintiffs in all cases agreed voluntarily to withdrew the appeals as to twenty-two defendants.[6] Several additional non-dispositive stipulations of dismissal were filed in individual cases as to other Appellees. As a result, these appeals now focus on the dismissals for failure to state a claim of defendants Al Rajhi Bank, Saudi American Bank (SAMBA), DMI Trust, Kamel, and Dallah al Baraka, and the dismissals for lack of personal jurisdiction of defendants Abdullah bin Laden, Bakr bin Laden, Omar bin Laden, Tariq bin Laden, Yeslam bin Laden, Dallah Avco, DMI Administrative Services, Faisal Islamic Bank, Saleh al Hussayen, Yousef Jameel, Abdulrahman bin Mahfouz, Khaled bin Mahfouz, NCB, Obeid, Abdullah al Rajhi, Saleh al Rajhi, Suleiman al Rajhi, Schreiber & Zindel Treuhand Anstalt, Frank Zindel, Engelbert Schreiber, Sr., Engelbert Schreiber, Jr., Shamal, Swailem, Tadamon, Turki, Martin ***24** Wachter, Erwin Wachter, Sercor Treuhand Anstalt, Asat, Naseef, Ali, Basha, Khalifa, Aqeel, al Kadi, and al-Buthe. Disposition Below

As noted above, in *Terrorist Attacks I, Terrorist Attacks II, SAMBA I*, *DMI-Kamel, Terrorist Attacks IV*, and *Terrorist Attacks V*, the district court dismissed all claims against the defendant-appellees. Thereafter, the court entered partial final judgment pursuant to Rule 54(b). This brief addresses the district court's dismissals of plaintiffs' ATA, ATS, TVPA, and torts claims against Al Rajhi Bank, Saudi American Bank, DMI Trust, Saleh Abdullah Kamel, and Dallah al Baraka for failure to state a claim under Rule 12(b)(6), and dismissals of the Saudi Joint Relief Committee, Saudi Red Crescent Society, and National Commercial Bank for lack of subject matter jurisdiction under the FSIA.

Statement Of Facts

The Origins of al-Qaeda

As alleged in plaintiffs' pleadings and confirmed by countless governmental investigations, al-Qaeda has its origins in the jihad against the Soviet occupation of Afghanistan, which served as a rallying point for ***25** Islamic extremists in the Middle East.[7] In 1980, Osama bin Laden traveled to Afghanistan to participate in the jihad, and gained prominence for his role in establishing the financial and logistical infrastructure that sustained the mujahedeen fighters.

Bin Ladin understood better than most of the volunteers the extent to which the continuation and eventual success of the jihad in Afghanistan depended on an increasingly complex, almost worldwide organization. This organization included a financial support network that came to be known as the "Golden Chain," put together mainly by financiers in Saudi Arabia and the Persian Gulf states. Donations flowed through charities or other non-governmental organizations (NGOs).[8]

Together with Abdullah Azzam, bin Laden founded the Maktab al Khidmat ("Office of Services") to facilitate the provision of financial and logistic support to the mujahedeen.[9] Throughout the Afghan jihad, Maktab al Khidmat worked in concert with a network of purported charities and relief organizations, including the Muslim World League ("MWL"), International Islamic Relief Organization ("IIRO"), Rabita Trust, Al Haramain Islamic Foundation ("Al Haramain"), Muwafaq Foundation ***26** ("Muwafaq"), and the Saudi Red Crescent Society, to provide travel documents, funds, transportation, training facilities, arms, physical assets and other support to the mujahedeen.[10] Fueled by donations from wealthy supporters in Saudi Arabia and the Gulf, this network of ostensible charities established a vast infrastructure to support the mujahedeen opposition to the Soviet occupation of Afghanistan.[11]

At the conclusion of the Afghan jihad, bin Laden determined that the network that supported the mujahedeen in Afghanistan should not be abandoned, but rather adapted to serve as a foundation for waging a global jihad against all of the perceived enemies of Islam, and in particular, the United States.[12] As the 9-11 Commission explained:

***27** April 1988 brought victory for the Afghan jihad. Moscow declared it would pull its military forces out of Afghanistan within the next nine months. As the Soviets began their withdrawal, the jihad's leaders debated what to do next.

Bin Ladin and [Abdullah] Azzam agreed that the organization successfully created for Afghanistan should not be allowed to dissolve. They established what they called a base or foundation (al Qaeda) as a potential general headquarters for future jihad.[13]

Once al-Qaeda was established, bin Laden turned its focus towards the United States. This was not done secretly, but rather publicly, in a series of *fatwas*. "Bin Ladin began delivering diatribes against the United States before he left Saudi Arabia [in 1991]. He continued to do so after he arrived in Sudan. In early 1992, the Al Qaeda leadership issued a jihad against the Western 'occupation' of Islamic lands...[s]pecifically singling out U.S. forces for attack."[14] In a 1996 *fatwa*, tellingly entitled "Declaration of War against the Americans Occupying the Land of the Two Holy Places," bin Laden asserted that "the occupying American enemy is the principle and the main cause of the situation. Therefore efforts should be ***28** concentrated on destroying, fighting and killing the enemy until, by the Grace of Allah, it is completely defeated." In 1998, bin Laden proclaimed to the world:

The ruling to kill Americans and their allies - civilians and military - is an individual duty for every Muslim who can do it in any country in which it is possible to do.[15]

These *fatwas* ensured that those who provided support to al-Qaeda knew and understood that al-Qaeda was directing its conduct at the United States.

The Role of Ostensible Charities in al-Qaeda's Growth and Development

Consistent with bin Laden's plan to adapt the infrastructure developed during the Afghan jihad to build a global terrorist movement, al-Qaeda relied on the network of charities and wealthy individual donors established for the Afghan jihad to sustain its growth and development.[16] According to the United Nations Security Council Committee Concerning al-Qaeda and the Taliban:

> From its inception al-Qaida has relied heavily on charities and donations from its sympathizers to finance its activities. Charities provide al-Qaida with a very useful international channel for soliciting, collecting, transferring and distributing the funds it needs for indoctrination, recruitment, training, and ***29** logistical and operational support. These funds are often merged with and hidden among funds used for other legitimate humanitarian or social programs. Al-Qaida supporters and financiers have also established front charity networks whose main purpose is to raise and deliver funds to al-Qaida. The roots of these charity networks stem from the anti-Soviet jihad in Afghanistan during the late 1980s. During that time, al-Qaida could draw on a number of state-assisted charities and other deep pocket donors that supported the anti-Soviet cause.[17]

As confirmed by internal al-Qaeda historical records seized during a 2002 raid of an al-Qaeda front charity, the partnerships forged during the Afghan jihad with the Muslim World League, International Islamic Relief Organization, and Saudi Red Crescent Society were among those seamlessly adapted to build and sustain the global infrastructure needed to support the planned jihad against the United States.[18] Additional "charities," such as al Haramain Islamic Foundation, Muwafaq Foundation, and the Saudi Joint Relief Committee, would emerge as important al-Qaeda partners as bin Laden's organization grew and expanded its global terrorist and military operations to regions as diverse ***30** as the Philippines, Bosnia, Chechnya, Kosovo, Sudan, Ethiopia, Kashmir, Somalia, Palestine, Pakistan, Yemen, Kenya, Tanzania, Egypt, Indonesia, and Malaysia.[19]

Plaintiffs' pleadings and other record materials describe in detail the pervasive involvement of these purported charities in knowingly and directly supporting al-Qaeda in the years preceding the September 11th Attacks.[20] As detailed in the record, the nature of the support provided by these organizations to al-Qaeda has taken many forms, and viewed collectively reflects their intimate, systematic, and longstanding ties to al-Qaeda. In this regard, plaintiffs' pleadings and extrinsic evidence demonstrate that these purported charities have: (1) raised and laundered funds on behalf of al-Qaeda; (2) channeled donated funds to al-Qaeda; (3) provided financial and logistical support and physical assets to al- ***31** Qaeda; (4) permitted al-Qaeda members to use ostensible employment with their organizations as a vehicle for covertly traveling in furtherance of al-Qaeda's operations; (5) performed reconnaissance within conflict regions on behalf of al-Qaeda; (6) served as liaisons to localized terrorist organizations on behalf of al-Qaeda, thereby assisting al-Qaeda in expanding its operational base and sphere of influence; (7) funded and facilitated shipments of arms and supplies to al-Qaeda; (8) funded camps used by al-Qaeda to train soldiers and terrorists; (9) actively recruited Muslim youths on behalf of al-Qaeda; (10) served as channels for distributing information and documentation within al Qaeda, and from al-Qaeda to the media; (11) disseminated publications designed to advance al-Qaeda's radical Islamist ideology throughout the Muslim world and legitimize violent jihad against Christians and Jews on the grounds that they are "infidels" who do not deserve to live; and (12) openly advocated for young Muslims to take up arms against Western and democratic societies.[21]

Contrary to the defendants' tireless efforts to cast plaintiffs' pleadings as conclusory, this Court commented in relation to a prior appeal in this ***32** proceeding that plaintiffs' allegations concerning the terrorist activities of the purported charities "include a wealth of detail (conscientiously cited to published and unpublished sources) that, if true, reflect close working arrangements between ostensible charities and terrorist networks, including al Qaeda." *Terrorist Attacks III*, 538 F.3d at 76.

Defendants Aqeel al Aqeel, Soliman al Buthe, Abdullah Naseef, Abdullah bin Saleh al Obaid, Abdullah Muhsen al Turki, Adnan Basha, Mohammed Jamal Khalifa, Abdulrhaman al Swailem, Suleiman al Ali (the "Charity Official Defendants"), Yassin al Kadi, and Abdulrahman bin Mahfouz served as senior officials of one or more of al-Qaeda's front charities, and are alleged to have used their authority over those organizations to orchestrate their material support and sponsorship of al-Qaeda.[22] Each of these defendants is specifically alleged to have acted with knowledge that the organizations under their control were channeling ***33** material support and resources to al-Qaeda, and that the support flowing to al-Qaeda from the organizations under their control would be used to support al-Qaeda's jihad against the United States.[23] These allegations are corroborated by the very nature and scope of the support flowing from the charities under defendants' control to al-Qaeda, which extended to separate branch offices throughout the world over a period of many years.[24] In many cases, these partnerships grew out of the charities' well publicized sponsorship of bin Laden and the mujahedeen in Afghanistan, a legacy which was well known to the heads of those organizations.[25] In the ensuing years, each of these purported charities was repeatedly and publicly implicated in terrorist activities, and yet their support for al-Qaeda continued unabated while under the leadership of defendants.[26]

In several instances, the Charity Official defendants were directly responsible for appointing senior al-Qaeda members to positions of authority within the purported charities, a pattern that further reflects the intimacy of the partnership between those organizations and al-Qaeda. For ***34** instance, while serving as the head of both the Saudi Red Crescent Society and Saudi Joint Relief Committee ("SJRC"), Defendant Dr. Abdul Rahman al Swailem appointed Wa'el Jelaidan to serve as Director of the SJRC's office in Pristina, Kosovo.[27] Jelaidan is a founding al-Qaeda member, whose ties to bin Laden date to the Afghan jihad when Jelaidan served as Director of the MWL's office in Peshawar, Pakistan and orchestrated that purported charity's support for the mujahedeen.[28] According to U.S. authorities, Jelaidan proceeded to use the SJRC as a front to "move money and men into and from the Balkans" for Osama bin Laden.[29] On September 6, 2002, the United States listed Jelaidan as a Specially Designated Global Terrorist pursuant to Executive Order 13224, explaining that "the United States has credible information that Wa'el Julaidan is an associate of Osama bin Laden and several of bin Laden's top lieutenants. Julaidan has directed organizations that have provided financial and logistical support to al-Qa'ida."[30]

***35** The leaders of the MWL and IIRO similarly ensconced well known bin Laden associates as senior officials of those organizations, thereby providing al-Qaeda with an efficient mechanism to support its global expansion. Defendant Abdullah Naseef met personally with Osama bin Laden around the time of Al-Qaeda's formation, and reached agreement with bin Laden at that meeting that al-Qaeda would use MWL offices to launch attacks.[31] This meeting and agreement are documented in the historical records of al-Qaeda's formation seized during the 2002 raid in Bosnia.[32] Naseef proceeded to leave Wa'el Jelaidan, who to Naseef's knowledge was responsible for directing the MWL's assistance for the Afghan mujahedeen and a founding al-Qaeda member, in his position as Director of the MWL, thus ensuring a direct channel for coordinating MWL's collaboration with al-Qaeda.[33]

***36** Around this same time, Naseef formed Rabita Trust, appointing Jelaidan to a senior position within that organization as well, as reflected by the Treasury Department's own press release concerning Rabita Trust's designation under Executive Order 13224 indicating that "Rabita Trust is headed by Wa'el Hamza Julaidan, one of the founders of al-Qaida with bin Laden. He is the logistics chief of bin Laden's organization and fought on bin Laden's side in Afghanistan."[34] In this regard, the MWL-headed Nassef retained Jelaidan as a director of its operations for several years following the establishment of al-Qaeda, despite his close ties to bin Laden and primary role in supporting the jihad in Afghanistan.[35] Jelaidan's role in the MWL allowed the nascent al-Qaeda organization to use the MWL as an "umbrella" under which the terror group's members could operate, including using MWL offices for launching terrorist attacks.[36]

Similarly, as head of the MWL, Naseef approved the appointment of Mohammed Jamal Khalifa, also a founding al-Qaeda member and bin Laden's brother-in-law, to head the Philippine office of MWL subsidiary ***37** IIRO.[37] Through that position, Khalifa used the IIRO as a platform for al-Qaeda's expansion into Southeast Asia, providing funds and other support through the IIRO for the 1993 World Trade Center bombing and the 1995 "Bojinka" plot to simultaneously bomb multiple airplanes while in transit to the United States.[38] The Bojinka plot was conceived by September 11th mastermind Khalid Sheikh Mohammed, and was a precursor to the September 11th Attacks.[39] Khalifa also used IIRO funds and resources to establish Abu Sayyef Group, a Philippine terrorist organization that has served as an al-Qaeda proxy in the Far East since its establishment.[40] Appellee Adnan Basha assumed control over the IIRO, after serving as a senior officer of its parent the MWL, in the immediate aftermath of the ***38** disclosure of IIRO's involvement in the aforementioned plots and terrorist activities, and proceeded to expand IIRO's support for al Qaeda by providing $60 million to fund al Qaeda training camps in Afghanistan, as confirmed by a 1996 CIA Report.[41]

The direct involvement of Appellee Aqeel and al-Buthe in orchestrating al Haramain's terrorist activities was also well documented. As defendant Aqeel himself stated, "[t]he [al Haramain branch] offices' directors are employees who follow directions of the main office with regards to hiring workers at the offices and making any decisions on cooperation with any party."[42] In designating Aqeel as a terrorist in 2005, the United States asserted that "[t]hese entities and this individual [defendant Aqeel] have provided financial, material and logistical support to the al-Qaida network, Usama bin Laden or the Taliban, fueling and facilitating their efforts to carry out vile acts against innocent individuals and the civilized world."[43] The

Treasury Department further stated that ***39** Defendant Aqeel "controlled [al Haramain] and was responsible for all [al Haramain] activities, including its support for terrorism."[44]

On September 9, 2004, the United States Department of Treasury designated defendant Soliman al Buthe as a Specially Designated Global Terrorist for his role with al Haramain in the United States, which the Treasury Department stated had "direct links" with bin Laden.[45] Defendant al Buthe was also indicted on allegations that he diverted charitable donations from al Haramain to al-Qaeda fighters in Chechnya.[46] Al Buthe's role in directing al Haramain's activities are also revealed in the record which states that a "document obtained by the U.S. government shows that in October, 1997, [al Haramain] in Saudi Arabia appointed Al-Buthe its true and lawful attorney in its name, place, and stead" and "appears to give Al-Buthe broad legal authority to act on [al Haramain's] behalf within the United States."[47]

***40** Plaintiffs' allegation that defendant Yassin al Kadi co-founded Muwafaq Foundation with defendant Khalid bin Mahfouz for the specific purpose of serving as a front for al-Qaeda operations likewise enjoys support in the facts and allegations concerning al Kadi's appointment of known terrorists to head various Muwafaq offices.[48] For instance, al Kadi, himself a close associate of Jelaidan, appointed Chafiq Ayadi to head the Muwafaq operations in Europe and Bosnia.[49] On October 12, 2001, the United States listed Ayadi as a Specially Designated Global Terrorist.[50] Other Muwafaq offices throughout the world were similarly populated with al-Qaeda operatives, and al Kadi acknowledges having personally selected the managers responsible for running Muwafaq's various offices.[51] As a result of al Kadi's deep involvement in sponsoring al-Qaeda, through Muwafaq as well as various businesses under his control or influence, the ***41** United States listed him as a Specially Designated Global Terrorist on October 12, 2001.[52]

Read in context and collectively, the allegations concerning the charities' sponsorship of al-Qaeda while under the direction and control of the Charity Official defendants provide ample support for plaintiffs' specific contention that each of the these defendants played a direct role in facilitating the respective charities' sponsorship of al-Qaeda. In particular, the pleadings make clear that the charities embraced al-Qaeda's Islamist vision and used their global infrastructures to support al-Qaeda's jihad against the United States *as an institutional matter*.[53] The institutional character of the collaboration between al-Qaeda and the purported charities is reflected by the pervasiveness of their support, which followed a common pattern at separate branch offices throughout the world. In several cases, the Charity Official defendants enhanced their organizations' collaboration with al-Qaeda by appointing senior al-Qaeda officials to ***42** positions of authority within their organizations. Further, although the charities were repeatedly implicated in terrorist activities in the years following the formation of al-Qaeda, the pattern of sponsorship continued unabated under the direction and leadership of the Charity Official defendants for a period of many years, and in many cases even after the September 11th Attacks. These allegations, and the logical inferences arising therefrom, established for purposes of the jurisdictional disputes that the Charity Official defendants engaged in tortious conduct directed at the United States.

Al-Qaeda's Collaborators in the Financial Industry

Beyond the charity sector, al-Qaeda also benefited immensely from close working relationships with a number of financial institutions, many of which worked in concert with al-Qaeda's charity sponsors and supporters to facilitate the transfer of resources to al-Qaeda operations and affiliates through the international banking system.[54] By virtue of its own Islamist agenda, as well as for pragmatic reasons, al-Qaeda sought in particular partnerships with financial institutions operating under principles of Sharia compliant finance, and was successful in finding ***43** willing collaborators within that industry.[55] As the Council on Foreign Relations observed in its report on terrorist financing, "[m]any prominent Islamic banks operate under loose regulatory oversight, in part because they are based in jurisdictions without proper controls, but also because their religious nature often allows them a greater degree of autonomy owing to obvious domestic considerations. Islamic banks regularly co-mingle funds from depositors to place them within group investments by fund managers, creating ready opportunities for anonymous money transfers and settlements. Moreover, al-Qaeda and other terrorist groups that use Islam to justify their actions are also more likely to find willing collaborators within the Islamic banking system."[56] Al-Qaeda's willing collaborators within the financial industry included Defendants National Commercial Bank, Al Rajhi Banking and Investment Corp. ("Al Rajhi Bank"), Al Shamal Bank, Faisal Islamic Bank-Sudan, Tadamon Islamic ***44** Bank, DMI Trust, DMI Administrative Services S.A., Saudi American Bank, and Al Baraka Investment.[57]

The character of support provided by al-Qaeda's sponsors in the financial industry also took several forms, but in every instance involved the knowing provision of financial services and other forms of material support to al-Qaeda. In certain cases, al-Qaeda officials were directly embedded in the infrastructures of those financial institutions, and al-Qaeda openly maintained accounts and carried out transactions with the knowledge and consent of senior officials of the financial institution in question. For example, during the period that al-Qaeda was headquartered in the Sudan under the protection of the ruling National Islamic Front regime, it openly used Defendants Al Shamal Islamic Bank ("Al Shamal") and Faisal Islamic Bank-Sudan ("FIBS") to support its operations and terrorist agenda.[58] (Together with Defendants DMI Administrative Services S.A. ("DMI") and Tadamon Islamic Bank ("Tadamon"), Al Shamal ***45** and FIBS are referred to herein as the "Sudanese Defendants"). According to the testimony of former al-Qaeda finance chief Jamal al Fadl, previously deemed credible by this Court,[59] Al Shamal maintained accounts for Osama bin Laden and several other al-Qaeda officials, and carried out large cash and wire transactions in furtherance of al-Qaeda operations.[60] Al Fadl similarly testified that FIBS, which in turn is the founder of Al Shamal, partnered with al-Qaeda by mamtaining accounts for al-Qaeda and by embedding al-Qaeda officials in the infrastructure of Al Shamal.[61] Tadamon also maintained accounts for al Qaeda members according to al Fadl, including an account for bin Laden's personal bodyguard, who handled money for bin Laden and used the account for bin Laden's activities on behalf of al Qaeda.[62]

More frequently, al-Qaeda's partners in the financial sector operated covertly within its global infrastructure, by providing financial services to al-Qaeda's charity fronts with full knowledge that those accounts were being used to support al-Qaeda, and by themselves providing funds to al- ***46** Qaeda, typically through their own *zakat* charitable contributions to al-Qaeda's charity fronts. The allegations and record evidence relating to Al Rajhi Bank and National Commercial Bank ("NCB") are illustrative of this pattern of support.[63] Testifying before Congress just three weeks after the September 11th Attacks, former Central Intelligence Agency Chief of Counterterrorism Operations Vincent Cannistraro affirmed that "[t]here is little doubt that a financial conduit to bin Laden was handled through the National Commercial Bank, until the Saudi government finally arrested a number of persons and closed down the channel. It was evident that several wealthy Saudis were funneling contributions to bin Laden through this mechanism."[64]

The "mechanism" through which "wealthy Saudis" channeled support to bin Laden via NCB involved large transfers to IIRO, Muwafaq Foundation, Saudi Red Crescent, SJRC and other al-Qaeda charity fronts.[65] Conveniently, NCB maintained accounts for many of these ostensible charities, including in particular IIRO and SJRC, and promoted ***47** contributions to those accounts via advertisements, with specific awareness that those entities were supporting al-Qaeda.[66] At all times, NCB was aware of the terrorist activities of those purported charities, by virtue of the extensive public reporting concerning those activities in the Muslim world prior to **9/11**, and by virtue of the longstanding ties between senior executives of NCB (including its Chairman Appellee Khaled bin Mahfouz and Appellee Yassin al Kadi, who was the architect of NCB's Islamic Banking Division), and bin Laden, as described in further detail below.[67] (Together with NCB and Abdulrahman bin Mahfouz, Khaled bin Mahfouz and Yassin al Kadi are referred to here is ahe "NCB Defendants.")

Al Rajhi Bank played an analogous and equally important role in al-Qaeda's financial infrastructure, by also providing financial services to al-Qaeda charity fronts including the MWL, IIRO, al Haramain, and Benevolence International Foundation.[68] In addition, Al Rajhi Bank funneled its own *zakat* contributions to al-Qaeda, via contributions to al- ***48** Qaeda's charity fronts.[69] Like NCB, Al Rajhi Bank was aware at all relevant times that MWL, IIRO, al Haramain and Benevolence International Foundation were fronts for al-Qaeda, again by virtue of the public reporting concerning the terrorist activities of those organizations, and because senior Al Rajhi Bank officials, including in particular the bank's founder Suleiman al Rajhi,[70] were themselves important al-Qaeda benefactors with direct ties to bin Laden dating from the Afghan jihad.[71]

Appellees DMI Trust and DMI S.A., in turn, sat at the apex of a deliberately decentralized financial network, which included Appellees Al Shamal, FIBS and Tadamon, established for purposes of "pursuing financial jihad." Functioning as the operational arm of DMI Trust and implementing the Trust's strategies and objectives, including its material sponsorship of al Qaeda, DMI S.A. handled accounts for al Qaeda members and primary financiers, including Wa'el Jelaidan and Yassin al Kadi, ***49** siphoned off charitable donations to support al Qaeda, and used its own *zakat* contributions to support al Qaeda.[72]

As referenced above, plaintiffs' pleadings and supplemental materials allege that support for al-Qaeda's agenda emanated from the founders and most senior officials of al-Qaeda's partners in the financial industry, many of whom had longstanding direct ties to bin Laden, and several of whom also held positions within al-Qaeda's charity fronts, thus placing them in a unique position to facilitate the provision of resources to al-Qaeda via the network of financial institutions and charitable organizations under their influence. In the case of Al Shamal, bin Laden was himself one of its major shareholders, having contributed $50 million in capital to the bank around the time he relocated al-Qaeda to the Sudan.[73] The Sudanese regime that invited bin Laden and al-Qaeda to Sudan also held a direct ownership in Al Shamal, as did Saleh Kamel, a wealthy patron of al-Qaeda's endeavors.[74] Al Shamal's Chairman was Adel Abdul Jalil Batterjee, a close bin Laden associate who also headed al-Qaeda charity ***50** fronts Benevolence International Foundation and its Saudi parent, Lajnat al Bir.[75] Batterjee's primary role in al-Qaeda's support infrastructure prompted the United States to list him as a Specially Designated Global Terrorist after the September 11th Attacks.[76]

Faisal Islamic Bank's leadership is similarly intertwined with the al-Qaeda organization. As is true of Al Shamal, the Sudanese regime that provided safehaven and support to bin Laden and al-Qaeda held a direct interest in Faisal Islamic Bank.[77] Its founders included Yousef Nada, another al-Qaeda financial patron designated by the United States pursuant to Executive Order 13224, and two of its Directors, Abdullah Omar Naseef and Amin Aqeel Attas, in turn were founders of Rabita Trust, an entity also designated by the United States under Executive Order 13224 based on its role in sponsoring al-Qaeda.[78]

***51** Tadamon and the DMI entities were similarly intertwined with al Qaeda's leadership and other members of al Qaeda's inner support circle. Osama bin Laden was himself a shareholder in Tadamon, and Tadamon's other shareholders included al Qaeda material sponsors FIBS, Saleh Kamel, Al Baraka Investment, Mohammed Hussein al Amoudi, and Dubai Islamic Bank.[79] DMI Trust appointed Hassan al Turabi, the noted Islamist leader of the National Islamic Front who invited bin Laden to the Sudan to build al Qaeda, to serve on its Board of Supervisors, and also held direct or indirect stakes in Al Shamal, FIBS and Tadamon.[80]

The pleadings similarly allege that al Qaeda's collaborations with NCB and Al Rajhi Bank were implemented by NCB Chairman Khaled bin Mahfouz and Al Rajhi Bank Managing Director Suleiman al Rajhi,[81] both of ***52** whom have direct ties to bin Laden.[82] Both bin Mahfouz and al Rajhi are identified as primary al-Qaeda sponsors on the "Golden Chain," a document discovered during a 2002 raid of the Bosnian offices of Benevolence International Foundation that uncovered a trove of internal documents on a computer hard drive.[83] After careful review of the materials, U.S. intelligence agencies concluded that they were internal al-Qaeda documents, chronicling the formation of al-Qaeda and details of its financial and organizational structure.[84] The Golden Chain document was found within this broader collection, and U.S. intelligence and law enforcement agencies have concluded that it is an authentic al-Qaeda document identifying al-Qaeda's most important financial benefactors, and the individuals responsible for coordinating their contributions to al-Qaeda.[85] The Golden Chain has been authenticated by former al-Qaeda ***53** finance chief Jamal al Fadl, and the Treasury Department has used inclusion on the list as a basis for designating individuals pursuant to Executive Order 13224.[86]

The authenticity of the Golden Chain as a list of al-Qaeda's most important financiers has been widely accepted. The 9/11 Commission Monograph on Terrorism Financing cites to "a group of wealthy donors from the Persian Gulf region known as the 'Golden Chain,' which provided support to ... Usama Bin Ladin."[87] The 9/11 Monograph continues:

The material seized [in Bosnia] included many documents never before seen by U.S. officials, such as the actual minutes of al Qaeda meetings, the al Qaeda oath, al Qaeda organizational charges, and the "Golden Chain" list of wealthy donors to the Afghan mujahideen....[88]

The Council on Foreign Relations Studies ("CRS") produced a report in October 2002 that also made use of the Golden Chain. Relying on the 9/11 Commission report, the CRS report described the Golden Chain as:

***54** an informal financial network of prominent Saudi and gulf individuals originally established to support the anti-Soviet Afghan resistance movement in the 1980s. U.S. officials state that this network collected funds and tunneled it to Arab fighters in Afghanistan, and later to Al Qaeda, using charities and other non-governmental organizations .... *Saudi individuals* *and other financiers associated with the Golden Chain enabled bin Laden and Al Qaeda to replace lost financial assets and establish a base in Afghanistan following their abrupt departure from Sudan in 1996.*[89]

The Golden Chain thus provides a list of the most significant donors to al-Qaeda. These donors, moreover, did not give money to al-Qaeda unwittingly, through an al Qaeda front masquerading as a legitimate charity; they were, rather, bin Ladin's original list of financial backers for his al-Qaeda enterprise. The appearance on this list of Khalid bin Mahfouz and Sulaiman al Rajhi is strong evidence of their knowing and active financial support of al-Qaeda.

In addition to the positions within their respective financial institutions, Khalid bin Mahfouz, Suleiman al Rajhi, and Abdullah al Rajhi also played significant roles in al-Qaeda charity fronts. As mentioned above, bin Mahfouz founded Muwafaq Foundation along with Defendant al Kadi, with the intent that it would serve as a front for al-Qaeda ***55** operations.[90] Al Rajhi served as a Board Member of the IIRO, and also founded the SAAR Foundation, a U.S. based charity established by al Rajhi to support Islamic extremists.[91] These allegations and facts concerning their longstanding ties to bin Laden, and positions within financial institutions and charities with documented links to al-Qaeda, place bin Mahfouz and al Rajhi at the center of the al-Qaeda financial and logistic network.

Al-Qaeda's Additional Wealthy Financiers

A number of other wealthy financiers and sponsors played critical roles in the advancement of the al-Qaeda enterprise, by providing much of the funding al-Qaeda needed to sustain its global operations, estimated by the U.S. government at more than $30 million per year in the period immediately preceding the September 11th Attacks.[92] These wealthy individual sponsors included defendants Bakr bin Laden, Tariq bin Laden, Yeslam bin Laden, Omar bin Laden, Abdullah bin Laden (collectively the "Bin Laden Brothers"), Yousef Jameel, and Saleh Kamel--Bakr bin Laden, ***56** Jameel, and Kamel, along with Khalid bin Mahfouiz and Suleiman al Rajhi, are identified as primary al-Qaeda financiers in the Golden Chain.[93]

Bakr, Tariq, Omar, and Yeslam bin Laden are Osama's half-brothers. Bakr, Tariq, and Omar are alleged to have used their positions within the Saudi Binladin Group, the bin Laden family construction empire, to channel support to their sibling Osama after he formed al-Qaeda and made clear his intent to conduct jihad against the United States.[94] Consistent with those allegations, the National Commission on Terrorist Attacks' Staff Monograph on terrorist financing confirms that Osama bin Laden continued to receive disbursements from SBG following the establishment of al-Qaeda in 1988 through 1993 or 1994, to a tune of approximately $1 million per year, until the Saudi government allegedly "forced the Bin Ladin family to find a buyer for Usama's share of the family company."[95] Bin Laden used those funds to provide economic support to the National Islamic Front regime, a central component of the bargain under which the ***57** NIF provided safehaven, training camps and other support for al-Qaeda.[96] In addition, Bakr is a member of the Golden Chain, and a primary contributor to al-Qaeda front charity IIRO.[97]

Abdullah bin Laden sponsored al-Qaeda through his roles in establishing two US branches of al-Qaeda front charities, Taibah International and WAMY USA, both of which have extensive ties to al-Qaeda.[98] Yeslam bin Laden supported al-Qaeda through the management of Swiss bank accounts for Osama's benefit.[99]

Defendants Kamel and Jameel also are members of the Golden Chain.[100] Both are alleged to have longstanding ties to al-Qaeda, and to have supported al-Qaeda through a variety of channels.[101] Jameel's sponsorship of al-Qaeda flowed largely through purported charities, known to Jameel to be al-Qaeda fronts.[102] Kamel also contributed generously to al-Qaeda through its known charity fronts, and also ***58** supported al-Qaeda through various businesses and financial institutions under his control, including Defendant-Appellee Dalian al Baraka.[103]

*59 Summary of Argument

The district court concluded that plaintiffs had failed to state a claim against certain defendants under the Anti-Terrorism Act

(“ATA”), the Alien Tort Statute (“ATS”), the Torture Victims Protection Act (“TVPA”), and common law claims including negligence and various intentional torts. In each instance, the court mistakenly narrowed the scope of legal relief afforded by statute or the common law. In certain instances, it compounded that error by failing to give effect to plaintiffs’ pleadings. And throughout, the court understated and failed to acknowledge the direct nexus between the persons who facilitate an act of international terror through the provision of funding or other support, the persons who personally plan and execute a particular terrorist attack, and the persons harmed by that attack.

All these errors were evident in the court’s treatment of the ATA claims. Congress intended the ATA to provide relief broadly for U.S. citizens injured by an act of international terrorism, and the district court acknowledged that recovery could be predicated on the provision of material support to a terrorist organization such as al-Qaeda when the supporter knows the nature of the recipient. The court concluded, ***60** however, that plaintiffs had insufficiently pled facts establishing that defendants knew that it was al-Qaeda they were supporting. The court could reach this conclusion only by applying a clearly incorrect legal standard (requiring “extra-careful scrutiny” of terrorism allegations) and failing to acknowledge plaintiffs’ extensive allegations of defendants’ knowledge and facts making those allegations plausible. The court also failed to draw obvious, much less reasonable, inferences from plaintiffs’ allegations that placed each defendant at the center of a web of dealings with al-Qaeda members and their closest associates, and it even weighed evidence at the motion to dismiss stage, discounting important documents that had been credited by the U.S. government and independent experts. And further, the court misconstrued and arbitrarily limited the ATA, and ignored plaintiffs’ pleadings, in disregarding -- as “too remote” -- allegations that two defendants had provided extensive support to al-Qaeda in the mid-1990s.

The district court adopted different, but no less improper, narrowing constructions of the Alien Tort Statute and the TVPA. The Alien Tort Statute provides a cause of action for certain violations of international law, and the court concluded that the only relevant international law norm ***61** related to the hijacking of commercial airplanes. Plaintiffs had, however, pled that the relevant international law norm proscribes acts of international terrorism, which basic principles of customary international law, a considerable range of judicial decisions, and the determinations of Congress and the Executive Branch all establish as acts that violate international law for purposes of establishing an ATS claim. While plaintiffs perhaps did not adequately allege a nexus between defendants’ acts and hijacking, their allegations were clearly adequate in relation to acts of international terrorism. Similarly, the TVPA permits terrorism-related claims to be brought against “individuals,” which the district court construed as limited to natural persons and thus excluding commercial and other entities. That conclusion was incorrect, as this Court has already indicated, and in any event the U.S. Supreme Court is expected soon to offer definitive guidance on this point.

As to plaintiffs’ common law claims, the district court declined to apply hornbook tort principles in concluding that defendants owed no “duty of care” to plaintiffs, who thus could not recover for claims predicated on Defendants’ negligence. It also misapplied the statute of limitation to bar recovery on tort claims by certain plaintiffs. Although ***62** acknowledging that an adequately pled claim under the ATA (an intentional tort) would also suffice to establish the predicate for the common law intentional torts, the court failed as noted above to recognize that plaintiffs’ ATA claims were more than amply pled. Its dismissal of those claims, too, was thus erroneous.

Finally, a change of law since the filing of notices of appeal requires *vacatur* of the district court’s decision dismissing three defendants. The district court applied an aspect of this Court’s decision in *Terrorist Attacks III* that has since been overruled by a subsequent decision as a result of this Circuit’s “mini-en *band*” process. Because those dismissals were based on the overruled portion of the opinion, and because the Court must apply current law to a pending appeal, the orders dismissing those defendants should be vacated so that the district court can apply current law to defendants’ motions.

Standard of Review

The Second Circuit “review[s] *de novo* a district court’s dismissal of a complaint pursuant to Rule 12(b)(6), construing the complaint liberally, accepting all factual allegations in the complaint as true, and drawing all reasonable inferences in the plaintiff’s favor.” *Amaker v. N.Y. State Dep’t of* ***63** *Corr. Servs.*, 435 F. App’x 52, 54 (2d Cir. 2011) (*quoting Chambers v. Time Warner, Inc.*, 282 F.3d 147, 152 (2d Cir. 2002)).

Argument

I. The District Court Improperly Dismissed the Anti-Terrorism Act Claims

The Anti-Terrorism Act ("ATA"), 18 U.S.C. § 2333 *et seq.*, provides a cause of action for treble damages for those injured in their person, property, or business by acts of international terrorism, and it was designed especially for claims against material supporters of terrorist organizations. Plaintiffs allege that defendants knowingly provided just such material support to al-Qaeda, rendering them liable for injuries that plaintiffs suffered as a result of the September 11, 2001 attacks. The district court erroneously dismissed plaintiffs' ATA claims against Al Rajhi Bank,[104] Saudi American Bank,[105] Dar Al-Maal-Al-Islami Trust ("DMI ***64** Trust"),[106] Saleh Abdullah Kamel,[107] and Dallah al Baraka Group L.L.C. ("Dallah al Baraka").[108] It did so primarily on the ground that plaintiffs did not adequately allege that Defendants knew that the recipients of their support advanced al-Qaeda's activities -- despite plaintiffs' detailed pleading of Defendants' extensive dealings with al-Qaeda and its network of supporting entities. As shown below, the district court's rulings are based on fundamental legal errors regarding the standard of review and appropriate treatment of plaintiffs' allegations, misconstrue the ATA, and ignore plaintiffs' detailed pleadings that squarely place defendants at the heart of the network of persons and organizations that supported al-Qaeda.

A. The ATA Is Construed Broadly and Readily Encompasses Defendants' Alleged Conduct

The question whether a claim has been stated based on a statutorily-created cause of action turns on Congress's intent regarding the scope and operation of the cause of action. *Abrahams v. Young & Rubicam Inc.*, 79 F.3d 234, 237 (2d Cir. 1996). Congress without doubt intended the ATA to ***65** be construed broadly and to provide a cause of action based on conduct that includes the support provided to al-Qaeda alleged in the complaints and associated pleading materials in this case.

The ATA is directed at preventing and providing recovery for acts of material support to terrorism, broadly defined. Congress accomplished this purpose by "codify[ing] general common law tort principles and ... extend[ing] civil liability for acts of international terrorism to the full reaches of traditional tort law." *Boim v. Quranic Literacy Inst & Holy Land Found. for Relief and Dev.* (*Boim I*), 291 F.3d 1000, 1010-11 (7th Cir. 2002) (per curiam). The result was a "powerfully broad" Act that " 'impos[es] ... liability at any point along the causal chain of terrorism' " in order to " 'interrupt, or at least imperil, the flow of money' " to terrorists. *Id.* at 1011 (quoting S. Rep. 102-342, at 22 (1992) (quotation marks, emphasis, and citations omitted); *see also* Statement of Senator Grassley, 136 Cong. Rec. S4568-01 (1990), at S4593 ("With the enactment of this legislation, we set an example to the world of how the United States legal system deals with terrorists. If terrorists have assets within our jurisdictional reach, American citizens will have the power to seize them").

***66** Congress found it necessary to impose liability broadly because "foreign organizations that engage in terrorist activity are so tainted by their criminal conduct that *any contribution* to such an organization facilitates that conduct." Antiterrorism and Effective Death Penalty Act of 1996, Pub. L. No. 104-132, § 301(a)(7), 110 Stat. 1214, 1247 (1996) (enacting 18 U.S.C. § 2339B) (emphasis added); *see also Abecassis v. Wyatt*, 785 F. Supp. 2d 614, 645 (S.D. Tex. 2011) (finding that "Congress' clear intent" in the ATA was "to resist terrorism by cutting off the sources of funding to terrorist groups"). Such sources of funding include not only contributions to a terrorist organization, such as al-Qaeda, but also "funds [provided] 'under the cloak of a humanitarian or charitable exercise ....' " *Weiss v. Nat'l Westminster Bank PLC*, 453 F. Supp. 2d 609, 626 (E.D.N.Y. 2006)). This is because "[m]oney is fungible" and, as a result, funding for nonviolent activities "frees up other resources within the organization that may be put to violent ends." *Holder v. Humanitarian Law Project*, 130 S. Ct. 2705, 2725 (2010). Therefore, as recognized by the Supreme Court, "Congress's use of the term 'contribution' is best read to reflect a determination that any form of material support furnished 'to' a ***67** foreign terrorist organization should be barred, which is precisely what the material-support statute does." *Id.*

To these ends, the ATA broadly provides a civil cause of action for "[a]ny national of the United States injured in his or her person, property, or business by reason of an act of international terrorism." 18 U.S.C. § 2333(a). "International terrorism" encompasses "violent acts or acts dangerous to human life that are a violation of the criminal laws of the United States or of any State," and that "appear to be intended ... to intimidate or coerce a civilian population" or "to affect the conduct of a government by mass destruction, assassination, or kidnapping." *Id*. at § 2331(1). Such acts "transcend national boundaries in terms of the means by which they are accomplished ...." *Id*.

Defendants' alleged provision of material support to al-Qaeda and entities assisting its efforts readily falls within the ATA's scope. The district court did not dispute that plaintiffs adequately alleged that they were injured by acts of international terrorism. *See* SPA214 (*Terrorist Attacks V); SPA1, 52 n.39 (*Terrorist Attacks I*). Those injuries arose from the terrorist attacks of September 11, 2001, which were attacks using means ***68** that transcend borders and that were intended to intimidate a civilian population and to affect the conduct of the United States Government.

Thus, plaintiffs allege that defendants are both primarily and secondarily liable under the ATA, and the district court analyzed the claims under both theories. *Compare* SPA237 (*Terrorist Attacks V*) (finding that plaintiffs allege claims of primary liability under the ATA), *with* SPA52-53 (*Terrorist Attacks I*) (analyzing plaintiffs' claims as alleging theories of secondary liability under the ATA). Primary liability is implicated because the plaintiffs' injuries arose from violations of federal criminal laws that proscribe material support of terrorists, including through financing and through furthering the transborder attack of Americans within the United States. *See* 18 U.S.C. §§ 2339A, 2339B, 2339C, 2332B. Courts have recognized primary liability under the ATA for providing financing to terrorist organizations, even when the financing is channeled indirectly through intermediaries. *See Boim v. Holy Land Found. for Relief and Dev*. (*Boim III*), 549 F.3d 685, 701-02 (7th Cir. 2008) (en banc) (holding that "donors to terrorism [cannot] escape liability because terrorists and their supporters launder donations through a chain of intermediate organizations"); *see also* ***69** *Wultz v. Islamic Republic of Iran*, 755 F. Supp. 2d 1, 50-54 (D.D.C. 2010) (finding liability based on support provided to an agent of a terrorist organization). In addition, the organization receiving the support need only have a connection to terrorism. *Cf. Humanitarian Law Project*, 130 S. Ct. at 2717 ("Congress plainly spoke to the necessary mental state for a violation of § 2339B, and it chose knowledge about the organization's *connection to terrorism*, not specific intent to further the organization's terrorist activities") (emphasis added); *Boim III*, 549 F.3d at 702 (finding that Donor A cannot escape ATA liability by providing funds "to innocent-appearing organization B which gives to innocent-appearing organization C which gives to [a terrorist organization]").

Secondary liability under the ATA is present where defendants aid and abet those undertaking the terrorist act harming Americans. *See, e.g., Boim I*, 291 F.3d at 1010; *Wyatt*, 785 F. Supp. 2d at 645, 649; *Wultz*, 755 F. Supp. 2d at 54-57; *Linde v. Arab Bank, PLC*, 384 F. Supp. 2d 571, 582-85 (E.D.N.Y. 2005). In this case, plaintiffs allege that the defendants are secondarily liable under the ATA because their financing and other support activities aided and abetted al-Qaeda in terrorism.

***70** Under both theories of liability, an ATA claim may be predicated on the provision of support without plaintiffs having to establish that the defendants sought to advance any particular terrorist attack -- or even terrorist activities generally -- by the entities or persons receiving that support. *See, e.g., Boim HI*, 549 F.3d at 692-95 (finding that a donor need only know the character of the terrorist organization to be liable under the ATA); *Wultz*, 755 F. Supp. 2d at 40-41; *Weiss*, 453 F. Supp. 2d at 625 ("The requirement that the defendant have specifically intended to further terrorist activities finds no basis in the statute's language"); *Humanitarian Law Project*, 130 S. Ct. at 2729 (money provided to a terrorist group for purportedly legitimate activities can be "redirected to funding the group's violent activities").

Here, with an exception applicable to discrete allegations regarding two defendants,[109] the district court acknowledged that plaintiffs, if they could establish that defendants acted with the requisite mental state,[110] adequately pled an ATA claim. *See supra* pp. 65-66 nn. 104-108. The district court also recognized that the ATA provides for recovery even if ***71** the defendants did not anticipate or intend the September 11th Attacks, because it was well known during the 1990s that al-Qaeda sought to commit terrorist acts against the United States. SPA237-38 (*Terrorist Attacks V*); SPA20, 50 (*Terrorist Attacks I*). Thus, merely providing material support to al-Qaeda or a related entity with the requisite state of mind would suffice to make the defendants liable for injuries caused by al-Qaeda's acts of international terrorism. *See* SPA237-39 (*Terrorist Attacks V*); SPA112-114 (*SAMBA II*); SPA110 (*DMI-Kamel*). This accords with the reasoning of other courts that have addressed ATA claims. *See, e.g., Boim III*, 549 F.3d at 693-94; *Wultz, 755* F. Supp. 2d at 50-53; *Weiss*, 453 F. Supp. 2d at 627 n.15.

In sum, under a theory of secondary liability, the attacks are attributed to defendants based on their support for al-Qaeda and its affiliated entities and efforts to advance its objectives. Under a theory of primary liability, the defendants' provision of support to al-Qaeda and its affiliated entities makes them directly responsible for the resulting, entirely foreseeable terrorist attacks.

*72 B. The District Court Erred In Finding that Plaintiffs Failed to Plead that Defendants Knowingly or Recklessly Provided Support for Terrorism

The district court faulted plaintiffs' pleadings and dismissed their ATA claims against Al Rajhi Bank, Saudi American Bank, Saleh Abdullah Kamel, Dallah al Baraka, and DMI Trust principally based on a conclusion that plaintiffs failed to state a claim with respect to a single narrow element of the ATA cause of action: the defendants' state of mind in the course of providing support to al-Qaeda. Under a theory of either primary or secondary ATA liability, a defendant is liable if it "either knows that the organization engages in [terrorist] acts or is deliberately indifferent to whether it does or not, meaning that one knows there is a substantial probability that the organization engages in terrorism but ... does not care." *Boim III*, 549 F.3d at 693 (by analogy, giving "a small child a loaded gun would be a case of criminal recklessness and therefore satisfy the state of mind requirement") (emphasis omitted); *see also Wultz*, 755 F. Supp. 2d at 50-51, 57 (finding that plaintiffs sufficiently pled that defendant had the requisite mental state to be both primarily and secondarily liable for providing banking services to a terrorist organization when plaintiffs alleged that the bank was warned by the Chinese government that its ***73** services were being used by terrorists); *Weiss*, 453 F. Supp. 2d at 613-14 & n.4, 627 n.15 (finding that aiding and abetting liability was sufficiently pled based on allegation that defendant bank "had reason to know" that its clients were supporting terrorism). The district court held that plaintiffs' pleadings did not adequately establish that defendants knew or had reason to know that their support, through financing and the provision of services, was being provided to persons and entities advancing al-Qaeda's efforts. *See* SPA237-39 (*Terrorist Attacks V*); SPA112-114 (*SAMBA II*); SPA110 (*DMI-Kamel*); SPA57-58 (*Terrorist Attacks I*).

In determining that plaintiffs' pleadings were conclusory and inadequate, the district court misapplied fundamental legal principles governing the assessment of a complaint and related pleadings upon a motion to dismiss. It also dramatically understated or disregarded the scope, detail, and logic of plaintiffs' pleadings. Four principal errors infected the district court's analysis: (1) the district court adopted and applied a heightened pleading standard for defendants accused of supporting terrorism, disregarding the well-established Rule 12 and Rule 8 standards and ignoring Congress's intent regarding the ATA's scope and operation; (2) the district court understated and overlooked plaintiffs' ***74** extensive pleading allegations regarding defendants' knowing and reckless support for al-Qaeda, which were far from conclusory and provided extensive detail; (3) the district court failed to draw all reasonable inferences from plaintiffs' pleadings taken as a whole, which sufficiently alleged and clearly supported an inference regarding defendants' scienter through allegations of (a) direct support for the world's most notorious terrorist organization, al-Qaeda, (b) the publicly-known terrorism associations of the charities and entities defendants supported, and (c) defendants' proximity to, range, and pattern of dealings with entities essential to the al-Qaeda network; and (4) far from accepting the truth of the facts alleged by plaintiffs, the district court assessed and rejected certain evidence underlying plaintiffs' claims, and considered and credited evidence to the contrary.

1. The District Court Applied an Incorrect, Heightened Standard In Evaluating Plaintiffs' Pleadings.

The district court's entire analysis of plaintiffs' ATA allegations was tainted by its use of an erroneous legal standard to assess the adequacy of plaintiffs' pleadings. A pleading need only provide a "short and plain statement of the claim showing that the pleader is entitled to relief." Fed. R. Civ. P. 8(a)(2). "To survive a motion to dismiss, a complaint must ***75** contain sufficient factual matter, accepted as true, to state a claim to relief that is plausible on its face." *Ashcroft v. Iqbal*, 129 S. Ct. 1937, 1949 (2009) (quotation marks omitted). A claim is facially plausible if it includes "factual content that allows the court to draw the reasonable inference that the defendant is liable for the misconduct alleged." *Id.*

The district court, however, applied a heightened standard of scrutiny to plaintiffs' pleadings, one that has no basis in the Federal Rules and one that it created out of whole cloth exclusively for claims related to terrorism. The court found that due to "the extreme nature of the charges of terrorism, fairness requires extra-careful scrutiny of plaintiffs' allegations as to any particular defendant, to ensure that he -- or it -- does indeed have fair notice of [the claims]." SPA55 (*Terrorist Attacks I*) (emphasis added, brackets in original, and quotation marks and citation omitted); *accord* SPA108 (*DMI-Kamel*); SPA100 (*SAMBA I*). Not only is this departure from the Federal Rules a fundamental legal error, but it also accounts for and explains why the district court disregarded and failed to credit plaintiffs' extensive, entirely adequate pleadings, *see infra* Point I.B.2; failed to draw reasonable inferences from those pleadings, *see infra* ***76** I.B.3; and declined to accept the truth of the facts alleged by plaintiffs, *see infra* Point LB.4.

Application of this heightened standard is especially misguided in light of Congress's intent that the ATA reach just the conduct that plaintiffs allege. That is, "Congress[] clearly expressed [an] intent to cut off the flow of money to terrorists at every point along the causal chain of violence." *Boim I*, 291 F.3d at 1021. Congress did this by "attach[ing] liability to all donations to foreign terrorist organizations regardless of the giver's intent" because "foreign organizations that engage in terrorist activity are so tainted by their criminal conduct that any contribution to such an organization facilitates that conduct." *Id.* at 1027. Moreover, Congress enacted Section 2339B, a criminal provision incorporated through the ATA, out of a "concern that terrorist organizations could raise funds 'under the cloak of a humanitarian or charitable exercise.' " *Weiss*, 453 F. Supp. 2d at 626 (quoting H.R. Rep. 104-393, at 43 (1995)). That statute was designed to " 'severely restrict the ability of terrorist organizations to raise much needed funds for their terrorist acts within the United States.' " *Id.* Any effort to impose a heightened pleading standard upon terrorism-related ***77** cases, as the district court did, thus "thwart[s] Congress' clearly expressed intent." *Boim I*, 291 F.3d at 1021.

2. The District Court Understated and Ignored Plaintiffs' Extensive Pleadings Addressing Defendants' Knowing and Reckless Support of Terrorism.

Although the district court acknowledged that plaintiffs had in certain respects pled that the defendants knowingly provided support to al-Qaeda,[111] it radically understated the scope and detail surrounding those direct allegations. Far from presenting bare conclusions, plaintiffs abundantly provided defendants with notice of the basis for plaintiffs' claims, including their assertion that defendants sought to advance al-Qaeda's activities.

For each defendant, plaintiffs' detailed allegations focused on the knowing or reckless nature of the provision of support to al-Qaeda. The particular allegations set forth below are in addition to plaintiffs' extensive allegations regarding the broader context of al-Qaeda's use and development of a financing network, the relation between the key financiers and financing mechanisms and al-Qaeda's operations, and the integration of sources of financing into the broader social and ideological ***78** network of persons and organizations that facilitated al-Qaeda's activities. *See supra* pp. 29-60.

(a) Al Rajhi Bank

Al Rajhi Bank was founded in 1987 and "has a network of nearly 400 branch offices throughout Saudi Arabia and seventeen worldwide subsidiaries." SPA55 (*Terrorist Attacks I*). Plaintiffs' complaints contain numerous allegations that Al Rajhi Bank knowingly provided an extensive amount of material support to al-Qaeda front charities, including the International Islamic Relief Organization ("IIRO"), the Muslim World League ("MWL"), the World Association of Muslim Youth ("WAMY"), the Benevolent International Foundation ("BIF"), the Saudi Joint Relief Committee ("SJRC"), and Al Haramain Islamic Foundation ("Al Haramain"). *See* SPA55 (*Terrorist Attacks I*); JA1062-65, 1069-77, 3827-29. Its provision of material support included "knowingly and intentionally provid [ing] financial and bank account services" for al-Qaeda front charities and "September 11th hijacker Abdulaziz al-Omari." JA1062-77, 1784, 2483, 3827-29.[112] "Al Rajhi Bank has long known that the[se] ***79** accounts ... were being used to solicit and transfer funds to terrorist organizations, including al Qaida." JA3828. Through these bank accounts, Al Rajhi Bank "knowingly and intentionally ... facilitated [the] purchase of weapons and military equipment." JA2483. Al Rajhi Bank also "knowingly and intentionally lent repeated material support to Al Qaeda," including the front charities, "through, *inter alia*, the use of interstate and international faxes, telephones, wire transfers and transmissions, and mailings." JA1064, 1784.

The complaints further allege that Al Rajhi Bank knowingly provided material support through its involvement in raising funds for al-Qaeda's front charities, including by making direct donations to them, JA1068-73, 2483, guiding the donations of its customers, JA1069-70, cooperating with the charities to advertise the existence of their bank accounts, XXXXXX, and managing and accounting for donations, JA1071. Donations were often made as part of the Islamic duties of *zakat* and *haram*, which include an obligation by the donor "to determine" (*i.e.*, know) that "the ultimate ***80** recipients of these contributions fall within one of the categories prescribed in the Quaran ....” *See infra* p. 98-99; JA1068-73, 2483. Moreover, by advertising these accounts, Al Rajhi Bank “provid[ed] a mechanism to allow al Qaida’s supporters to deposit funds directly into those accounts.” JA3828.

Al Rajhi Bank’s operations are consistent with their support of al-Qaeda front charities. In 1999, Al Rajhi Bank was warned by United States government officials “that their financial systems were being manipulated or utilized to fund terrorist organizations such as Al Qaeda.” SPA55 (*Terrorist Attacks I*); JA 2584-86; *infra* pp. 93-95. “Despite these warnings, Al Rajhi failed to adopt even the most minimal standards, [which] resulted in the use of Al Rajhi as an instrument of terror ...” SPA55 (*Terrorist Attacks I*). By ignoring the most basic banking standards “designed to thwart the support of terrorist networks,” such as “anti-terrorist money laundering safeguards and ‘know your customer’ regulations,” Al Rajhi Bank willfully turned a blind eye towards the true nature of these charities. JA2483.

*81 (b) Saudi American Bank[113]

Plaintiffs’ complaints allege that Saudi American Bank has knowingly provided various forms of material support to al-Qaeda. For example, “Saudi American Bank knowingly provided material support and resources to al Qaida” by “finance [ing] many of the projects undertaken by Osama bin Laden and al Qaida in the Sudan during the years that the al Qaida leadership structure operated from that country ....” JA843-44, 3843. This included projects such as “the construction of major roads and the Port of Sudan airport.” JA3843.

Saudi American Bank is also alleged to have “knowingly provided financial services and other forms of material support to al Qaida.” JA3844. It did this by “maintain[ing] accounts for many of the ostensible charities that operate within al Qaida’s infrastructure, including MWL, WAMY, IRO and al Haramain” with “know[ledge] that [these] accounts ... were being used to solicit and transfer funds to terrorist organizations, including al ***82** Qaida.” JA843-44, 3843-44. “Saudi American Bank also serve[d] as the Saudi Arabia correspondent for many other banks within at Qaida’s infrastructure ....” JA843-44, 3844.

Plaintiffs further allege that “Saudi American Bank facilit[ated] al Qaida’s fundraising efforts” by “advertis[ing] the existence and numerical designation of the accounts it maintain[ed] for those charities throughout the Muslim world, and provid[ing] a mechanism to allow al Qaida supporters to deposit funds directly into those accounts.” JA3844. These actions were alleged to have been done “[i]n cooperation with the charities operating within al Qaida’s infrastructure ....” JA3844. Also, plaintiffs allege that in “2000, the Saudi American Bank participated in the fund raising campaign in Saudi Arabia for collecting donations to the ‘heroes of the Al Quds uprising’ (Intifada) by providing a bank account and facilities to receive donations for a committee of charity organizations including [WAMY], [IIRO,] and al Haramain Foundation.” JA844. In addition, plaintiffs allege that “from 1996 through 2001, the Saudi American Bank funneled money to and/or from the Spanish al Qaida cell.” JA4385.

*83 (c) Saleh Abdullah Kamel and Dallah al Baraka

Plaintiffs’ complaints allege that Saleh Abdullah Kamel, a Saudi businessman, has knowingly provided extensive material support to al-Qaeda, both individually and through his various business entities, including Dallah al Baraka. JA3869-70. For example, the complaints allege that Kamel personally “has made substantial contributions to many of the charities operating within al Qaeda’s infrastructure, with full knowledge that those funds would be used to support al Qaida’s operations and terrorist attacks.” JA3869-70. He is also alleged to have “long provided financial support and other forms of material support to terrorist organizations,” such as al-Qaeda. JA3162. Kamel’s role as a key financial supporter of al Qaeda’s is confirmed by his inclusion on the Golden Chain. JA3164; *see infra* pp. 109-10. One such contribution is alleged to have occurred in 1992, when Kamel donated $100,000 to Sanabil Al-Khair, the North American financial arm of the IIRO. JA3125. In addition, complaints allege that through personal investments, Kamel has provided financial support to publicly identified terrorist organizations, including by means of *zakat* donations requiring Kamel’s authorization. JA3173-74, 3193, 3200, 3869-70.

***84** The complaints further allege that “Kamel financed and developed Dallah al Baraka and its subsidiaries to operate as profitable banking and investment institutions and to serve as financial vehicles for transferring millions of dollars to Islamic militants around the world.” JA3162, 3869-70. In fact, plaintiffs allege that “[t]he practice and policy of Dallah Albaraka ...

[was] to provide financial support and material assistance to international terrorist organizations including al Qaeda." JA821. This support is alleged to have begun in 1982, when both Kamel and Dallah al Baraka "direct[ed] tens of millions of dollars in funds to at least 20 non-governmental organizations, including Osama bin Laden's Mekhtab al Khidmat, the predecessor to al Qaeda ...." JA3162. Dallah al Baraka is also alleged to have "knowingly and intentionally lent material support to Al Qaeda through, *inter alia*, the use of interstate and international faxes, telephones, wire transfers and transmissions, and mailings." JA1782, 3116. Additionally, Dallah al Baraka is alleged to have "knowingly and intentionally ... maintained and serviced bank accounts held by ... Al-Haramain whose funds were earmarked and transferred to Al Qaeda." JA1783. Dallah al Baraka also is alleged to have "provided material support for terrorism," by "consistently and constantly launder[ing] ***85** money" and "engag[ing] in illegal transactions in monetary instruments." R.1233, p. 3. Both Kamel and Dallah al Baraka are additionally alleged to have "continue[d] to maintain joint investments, shares, finances, and correspondent bank accounts with [Al Shamal Islamic Bank] even after it was widely known that the bank was materially supporting international terrorism and that Osama bin Laden was a major investor in the bank." JA3128.

Plaintiffs further allege that beginning in 1983, Dallah al Baraka "facilitated jihad operations in the world [by] providing Osama bin Laden with financial infrastructures in Sudan ...." R.1233, Ex. A, p. 7. Dallah al Baraka also is alleged to have entered into "joint 'symbiotic business' investments" with "al Qaeda['s] network of front companies, farms and factories in Sudan." JA3135-36. And Kamel and Dallah al Baraka are alleged to have provided material support to the Spanish al-Qaeda cell, which directly funded the September 11, 2001, attacks, by permitting their use of an Al Baraka Bank Finance House in Turkey to transfer money to Osama bin Laden's courier in Europe, Mohamed Bahaiah. JA3148.

In addition, plaintiffs' complaints allege that Dallah al Baraka's wholly-owned subsidiary and financial arm, Al Baraka Investment and ***86** Development Company ("ABID Corp."), often acting through subsidiaries over which ABID Corp. "exercised control and direction," "has knowingly maintained accounts" for al-Qaeda front charities, including IIRO, MWL, WAMY, BIF, and al Haramain. JA1782, 3832; R.1233, Ex. A, p.6. ABID Corp. "has long known that the[se] accounts ... were used to solicit and transfer funds to terrorist organizations, including al Qaida." JA3832. ABID has also "facilitate[d] al Qaida's fundraising efforts by "advertis[ing] the existence and numerical designations of the accounts it maintains for th[e]se charities throughout the Muslim world, and provid[ing] a mechanism to allow al Qaida's supporters to deposit funds directly into those accounts." JA3832. These actions were done "[i]n cooperation" with the charities in question. JA3832. Plaintiffs' complaints also allege that Kamel and ABID Corp. engaged in a scheme to purchase and export sesame products with businesses they "knew or should have known" were "owned and operated by Osama bin Laden." JA3137.

(d) Dar-Al-Maal Al Islami ("DMI") Trust

The complaints allege that as one of the central banking entities used by Saudi Arabia beginning in the early 1980s to "channel[l massive financial support for the spread of ... the radical brand of Islam at the heart ***87** of the al Qaida ideology," DMI Trust "directly and through its subsidiaries and affiliates, knowingly provided material support and resources to al Qaeda and/or affiliated individuals and entities." JA3833, 4331. One such company is DMI Trust's wholly owned and directly controlled subsidiary, DMI Administrative Services S.A. ("DMI S.A."), which "puts into action the investments, strategies, distributions, and policies of the DMI Trust through direct assistance to al Qaeda." JA4985; Companion Brief at Point I.B.2.(b)(iii).

Such support is alleged to have taken the form of "laundering money for al Qaeda, knowingly and intentionally providing financial services to al Qaeda (including mamtaining and servicing al Qaeda bank accounts and accounts used to fund and support al Qaeda), and/or facilitating weapons and military equipment purchases and money transfers for al Qaeda." JA2569, 4986-87. DMI Trust is alleged to have utilized its "*zakat* [and *haram]* accounts ... to support al Qaeda ... [and] transferred money for Al Haramain." JA2569-70, 2594-95. Plaintiffs additionally allege that "DMI [Trust] and its affiliated and subsidiary companies have known that many of the ostensible charities to which they channeled *Zakat and Haraam* funds were, in fact, fronts for al Qaeda [, including IIRO and MWL]." ***88** JA4337. "Despite the actual knowledge that money contributed to these charities was being used to support terrorist activities, DMI and its affiliates and subsidiaries continued to send funds to these charities in the form of *Zakat and Haraam* contributions on their own behalf and on behalf of their investors, depositors and account holders." JA4338.

Pleadings allege not only that DMI Trust acted through its wholly owned companies, but that those companies have "facilitated financial transactions for, and advertised, maintained and serviced accounts on behalf of, several of al Qaeda's known charity fronts, including Al Haramain ..., [IIRO,] and [MWL]." JA4331. One such company that DMI Trust is alleged to have exercised "direct involvement" over is Faisal Islamic Bank of the Sudan. JA4331. Through this company and others, DMI Trust is alleged to have "entered into business partnerships with prominent al Qaeda supporters, such as the National Islamic Front, the fundamentalist regime which has ruled Sudan since 1989 and provided safe haven to Osama bin Laden and al Qaeda from 1991 through 1996." JA4331. Specifically, Faisal Islamic Bank, and thus DMI Trust, is alleged to have provided loans and other support to the National Islamic Front and its prominent members. JA4332-33. Faisal Islamic Bank is also alleged to ***89** have "actively participated in the collection of funds for certain of al Qaeda's 'charitable' front organizations." JA4337-38.

Another "wholly owned subsidiary, Faisal Finance," is alleged to have "knowingly and intentionally" held and managed accounts for multiple al-Qaeda operatives, including Wa'el Julaidan and Yasin Al Kadi, who were both designated by the U.S. Department of Treasury as Specially Designated Global Terrorists. JA3723. Plaintiffs allege that in 1998, Al Kadi's account was identified by "the FBI's Counter Terrorism Task Force ... as being a source of funding for Hamas terrorist, Mohamed Saleh" and it "was one of the accounts frozen after September 11, 2001." JA3823-24. Moreover, under DMI Trust's control, Faisal Finance continued to provide these services even after Osama bin Laden publicly acknowledged his close ties to Julaidan in 1999. JA3723. Similarly, Tadamon Bank, another DMI Trust subsidiary, has "knowingly and intentionally lent repeated material support to Al Qaeda through" the provision of "financial and bank account services to several Al Qaeda operatives." JA1789-90, 4335, 5915.

90** ***3. The District Court Failed to Draw Reasonable Inferences From Plaintiffs' Extensive Additional Pleadings Establishing Defendants' Knowing and Reckless Support of Terrorism.

Further, plaintiffs presented extensive additional allegations that permitted -- indeed, compelled -- reasonable inferences that each defendant knew or recklessly disregarded whether the recipients of their funds and services were in fact advancing al-Qaeda's efforts. Far from applying the rule that a court must draw "all reasonable inferences" in favor of the plaintiff when resolving a motion to dismiss, *Matson v. Bd. of Educ. of the City Sch. Dist. of N.Y.*, 631 F.3d 57, 72 (2d Cir. 2011), the district court declined to draw even the most straightforward inferences about mental state from the extensive allegations of defendants' actions directed toward al-Qaeda and its closest supporters. Plaintiffs' allegations, taken as a whole, place defendants at the core of the network that supported al-Qaeda, including through direct provision of funds and services to al-Qaeda itself; extensive dealings with the most notorious and widely known charities, related organizations, and individuals who are prominently involved in global jihad and supporting al-Qaeda; and a pattern of dealing with and assisting the persons and entities most closely associated with al-Qaeda. An inference of mental state is almost always derived from ***91** circumstantial evidence, and here that evidence pervasively and consistently points to the conclusion that defendants knew that their support advanced the efforts of al-Qaeda. Alternatively, at a minimum, plaintiffs' allegations establish that only a person deliberately oblivious to the nature of the parties involved, which is the essence of recklessness, could have failed to understand that the alleged actions were supporting terrorism.

(a) Reasonable inference based on provision of support to al-Qaeda, a notorious terrorist organization.

The defendants are alleged to have "provided critical financial and logistical support to al Qaeda in relation to that terrorist organization's global jihad." JA3834, 3843-44, 3870, 4314, 4331. Defendants' provision of material support to al-Qaeda came at a time when that terrorist organization was publicly, even notoriously, known to have declared its intent to "wage war with the United States." JA3153, 3777. Moreover, al-Qaeda had taken credit for numerous terrorist attacks that were among the most highly publicized on the planet. As the district court noted, the terrorist organization had "publicly acknowledged responsibility for, such terrorist schemes as the 1993 bombing of the World Trade Center, the 1998 attack of the U.S. embassies in Kenya and Tanzania, and the 2000 attack of ***92** the U.S.S. Cole in Yemen." SPA20, 50 (*Terrorist Attacks I*) (quotation marks and citations omitted). In addition, President Bill Clinton signed an Executive Order on August 21, 1998, that "block[ed] the assets of Osama bin Laden and his terrorist cells, including Al Qaeda, as international terrorists." JA1065-66.

These allegations and al-Qaeda's notorious nature make plain the district court's failure to draw a reasonable inference that the defendants had the requisite mental state of knowingly or recklessly advancing the efforts of a terrorist organization, where the pleadings contained detailed allegations that they provided material support to al-Qaeda. A stark example is the district court's failure to infer that Al Rajhi Bank knew or had reason to know that it was providing financial services to al-Qaeda, despite plaintiffs' allegations that United States government officials -- "William Weschler of the National Security Council and Richard Newcomb of the Office of Foreign Assets Control" -- warned Al Rajhi Bank in 1999 "that their financial systems were being manipulated or utilized to fund terrorist organizations such as Al Qaeda." SPA55 (*Terrorist Attacks I*); JA1080-81. The district court simply noted that plaintiffs failed to allege "Al Rajhi Bank implemented 'know your customer' rules that Al Rajhi ***93** failed to follow with respect to accounts held by the Defendant charities." SPA57 (*Terrorist Attacks I*).

The district court's holding is not only inconsistent with *Wultz*, 755 F. Supp. 2d at 50-5, where the court inferred that the Bank of China knowingly provided financial services to a terrorist organizations based on allegations that it had been issued a warning by a Chinese official, but also is inconsistent with its own later decision. There, plaintiffs alleged that Dubai Islamic Bank provided banking services to al-Qaeda, even as the United States government had provided warnings to the United Arab Emirates in 1999. SPA199-200 (*Terrorist Attacks IV*). These allegations, the district court concluded, "g[a]ve rise to the inference that [Dubai Islamic Bank] intentionally and knowingly assisted al Qaeda by providing banking services ...." *Id.* at 205. Similarly, the allegations against Al Rajhi Bank draw the reasonable inference that it, too, knowingly assisted al-Qaeda.

(b) Reasonable inference based on provision of support to charities known to be fronts for al-Qaeda.

It is also reasonable to infer defendants' mental state based on allegations of material support to al-Qaeda front charities that were intimately involved in the al-Qaeda network and publicly known as such. The complaints allege that charities have "played a singularly important ***94** role in al Qaida's development and pursuit of its perverse ambitions ... [and] have served as the primary vehicle for raising, laundering and distributing funds on behalf of al Qaida from its inception." JA3778. According to the United Nations, the main purpose of al-Qaeda front charities was "to raise and deliver funds to al-Qaida." JA3778-79. And, as a 2002 independent commission on financing of international terrorism reported:

> [T]he most important source of al Qaeda's money is its continuous fundraising efforts. Al Qaeda's financial backbone was built from the foundation of charities .... In many communities, the *zakat* is often provided in cash to prominent, trusted community leaders or institutions, who then commingle and disperse donated moneys to persons and charities they determine to be worthy. These widely unregulated, seldom audited, and generally undocumented practices have allowed unscrupulous actors such as al Qaeda to access huge sums of money over the years. Today al Qaeda continues to raise funds from both direct solicitations of wealthy supporters and through retail charities. Some, whose donations go to al Qaeda, know full well the terrorist purposes to which their money will be put.

JA791.

The pleadings allege that it was widely and publicly known prior to September 11, 2001 that the charities supported by defendants were actually fronts for al-Qaeda. JA2483-84. For example, in September 1998, al Haramain was banned from Kenya for its involvements with the ***95** bombing of United States embassies in both Kenya and Tanzania. JA2483. WAMY was identified as having been involved with the 1993 World Trade Center bombing. *Id.* MWL was known to have ties to a 1995 assassination attempt on Egyptian President Mubarak and the 1998 bombings of United States embassies. *Id.* IIRO was implicated for its "involvement with terrorist attacks and plots in Bosnia, the Philippines, Croatia, Kenya, India, Macedonia, Jordan, India, and the 1993 World Trade Center bombing ...." JA2483-84. SJRC "publicly discussed [its] involvement with terrorist attacks in Albania, Kosovo, Egypt, Tanzania and Kenya ...." JA2484. And, BIFs was publicly linked with "terrorist activities in Chechnya, the Sudan, Bosnia and the Philippines," and its manager in Sudan had been arrested "under suspicion of ties to al Qaida." *Id.*

The pleadings further allege that the relationship between these charities and al-Qaeda's terrorism was widely known and publicly reported. Throughout the 1990s, numerous media reports and statements by government officials disclosed similar facts, including the terrorist activities of al Haramain, IIRO, and WAMY. JA 2596-97, 4337-38, 7891-94. For example, a major Egyptian newspaper, *Rose Al Yusuf*, reported in late 1992 "that the IIRO and the Bin Laden Organization in Egypt recruited and ***96** sponsored more than 700 Arab operatives to travel to Afghanistan to train as jihadist terrorists." JA2596. International media reported "that the Cairo office of the IIRO was managed by the bin Laden family and Mohamad Showki Al Istanbul, who was sentenced to death in Egypt for his Islamic extremist activities." *Id.* Another newspaper reported that "[t]he IIRO was shut down by Egyptian authorities later in 1993 or early 1994 as a result of the charity's links to Osama Bin Laden." *Id.* An article in *Rose Al Yusuf* provided:

> Working with Palestinian Islamist Shaykh Abdallah Azzam, Bin-Ladin set up the 'Jihad and Relief' guesthouse in Peshawar to receive volunteers who would arrive after a short stop in the al-Ansar guesthouse in Jeddah. The route of this process passed through the unlicensed Cairo office of the [MWL], directed by Dr. Abdallah Umar Nasif.

JA2596-97. In addition, public testimony from a high-level al-Qaeda operative prior to September 11, 2001, "described how Osama Bin Laden's brother-in-law, convicted terrorist and IIRO employee, Jamal Khalifa, opened a [MWL] office in Pakistan for the use of the founders of al Qaeda to recruit, train and equip al Qaeda terrorists." JA2597.

Moreover, it is entirely reasonable to conclude that the defendants were aware of these facts based on their obligation under the Koran to ***97** inquire into the source of their *zakat* and *haram* donations, many of which went to al-Qaeda front charities. *See supra* 47-48, 50-51, 81-82, 85, 89-90, 96; JA1070-71. That is, "[t]he Quran requires every Muslim, individuals and corporations, to give Zakat for specific charitable purposes identified in the Quaran." JA1062. Muslims are also required to donate their *haram* income, which is money derived from sources such as earned interest or "impure activities such as gambling or the sale of liquor." JA1063-64. To ensure that their *zakat* and *haram* contributions "satisfy their religious obligations under Islam," entities making the contributions are "required to determine that the ultimate recipients ... fall within one of the categories prescribed in the Quran ...." JA1070.

It is commonplace for courts to infer a defendant's mental state from surrounding facts when analyzing a Rule 12(b)(6) motion to dismiss. *See, e.g., In re Chiquita Brands Int'l, Inc.*, 690 F. Supp. 2d 1296, 1310 (S.D. Fla. 2010) (" 'knowledge may be inferred from circumstantial evidence' ") (quoting *Schneberger v. Wheeler*, 859 F.2d 1477, 1480 (11th Cir. 1988)); *Foster v. Auburn Univ.*, No. 11-CV-503, 2011 U.S. Dist. LEXIS 141056, at *11-12 (M.D. Ala. Dec. 8, 2011) (finding that factual allegations gave rise to reasonable inference that defendant engaged in intentional conduct); *Med-* ***98** *Sys. v. Masterson Mktg.*, No. 11-CV-695, 2011 U.S. Dist. LEXIS 135216, at *19-20 (S.D. Cal. Nov. 23, 2011) (same); *U.S. Bank Nat'l Ass'n v. Verizon Commc'ns, Inc.*, No. 10-CV-1842, 2011 U.S. Dist. LEXIS 106657, at *12-16 (N.D. Tex. Sept. 19, 2011) (same); *Redding v. Edwards*, 569 F. Supp. 2d 129, 132 (D.D.C. 2008) (same); *Almog v. Arab Bank, PLC*, 471 F. Supp. 2d 257, 291 (E.D.N.Y. 2007) (same). Even in the context of criminal prosecutions under Sections 2339A and 2339B, courts have held it proper to infer a defendant's mental state based on circumstantial evidence. *See, e.g., United States v. El-Mezain*, No. 09-1560, 2011 U.S. App. LEXIS 24216 (5th Cir. Dec. 7, 2011) (finding that "it was logical for the jury to conclude that the defendants' inten[ded] ... to support Hamas" as "the evidence strongly supported the inference that the defendants were connected to Hamas"); *United States v. Augustin*, 661 F.3d 1105, 1121 n.7 (11th Cir. 2011) (finding that "there is ample circumstantial evidence of [the defendant's] knowledge of Al Qaeda and its terrorist activities"); *United States v. Kassir*, No. 09-CR-356, 2009 U.S. Dist. LEXIS 83075, at *21-22 (S.D.N.Y. Sept. 11, 2009) (finding that evidence "allowed the jury to infer that [the defendant] intended the jihad training to benefit al Qaeda").

***99** An inference that the defendants possessed the requisite mental state is particularly reasonable where, as here, the plaintiffs allege that the charities supported by the defendants were publicly known to have been involved in terrorist activities and to be affiliated with al-Qaeda. *See Wyatt*, 785 F. Supp. 2d at 647-48; *see also Goldberg v. UBS AG*, 660 F. Supp. 2d 410, 428-29 (E.D.N.Y. 2009) (finding that plaintiffs had "sufficiently pled that the defendant consciously disregarded the fact that it was supporting a terrorist organization" when various forms of public information suggested "that [the recipient] was funneling money to terrorist organizations"); *Strauss v. Credit Lyonnais, S.A.*, No. CV-06-0702, 2006 U.S. Dist. LEXIS 72649, at *47-49 (E.D.N.Y. Oct. 5, 2006) (drawing a reasonable inference that a bank "had reason to know" one of its customers was a terrorist group based on "public investigations of" the group and discussions within the press). In *Wyatt*, the district court drew upon public awareness that Iraq supported suicide bombers in Israel to "infer that ... the defendants knew the[ir kickbacks to Iraq] would be used for that purpose." 785 F. Supp. 2d at 647-48. And in *Weiss*, the district court inferred that defendants "had reason to know the activities of its clients because of its legal and self-imposed obligations to know its customers." ***100** 453 F. Supp. 2d at 627 n.15. Here, the facts alleged establish a general public awareness that the front charities supported by the defendants had been involved in acts of terrorism and actively aided al-Qaeda, and that the defendants had an obligation to know the source of their donations. These allegations give rise to a reasonable inference that defendants possessed the requisite mental state under the ATA, namely, that they knew or had reason to know the entities they supported were fronts for al-Qaeda.

(c) Reasonable inference based on defendants' extensive relationship with the al-Qaeda network.

The plaintiffs also provided sufficient allegations connecting the defendants to the center of al-Qaeda's network of terrorism, and individuals in the midst of al-Qaeda's network are more likely to be part of al-Qaeda and at least well placed to know the nature of its activities. *See Al-Adahi v. Obama*, 613 F.3d 1102, 1109-10 (D.C. Cir. 2010) (finding that petitioner's "close connection to the al-Qaida leadership ... strengthened the probability that he was part of al-Qaida"), *cert. denied*, 131 S. Ct. 1001 (2011). As such, it is entirely reasonable to infer, based on plaintiffs' allegations as a whole and in considering a motion to dismiss, that defendants provided material support to al-Qaeda with the requisite knowledge. *See id.* at 1105 (finding that a district court erred by analyzing ***101** evidence individually, as opposed to holistically, to determine whether the petitioner was a member of al-Qaida, because certain patterns of behavior increase the likelihood that an individual is a member of the terrorist organization); *see also Salahi v. Obama*, 625 F.3d 745, 753 (D.C. Cir. 2010) (the court "must view the evidence collectively rather than in isolation"). As the quantity and significance of a defendant's dealings and contacts with notorious members and supporters of al-Qaeda increase, it becomes at least reasonable to conclude that a defendant actually knows who his associates are. Plaintiffs' allegations far exceed that threshold.

For example, the pleadings allege that the chairman and managing director of Al Rajhi Bank, Suleiman Abdel Aziz Al Rajhi, was a member of IIRO's board of directors and "directly participate[d] in the management, funding and operation of ... MWL and IIRO." JA3827-28. The pleadings also allege that while Abdul Aziz Al-Khereiji served as an executive on Al Rajhi Bank's board of directors, he "was also a Director of a terrorist front, Muwaffaq Limited." JA1078-79. In addition, plaintiffs allege that "[d]irectors and advisory members of Al Rajhi [Bank] and its Shariah Boards share directorships and advisory positions with [al-Qaeda front] charities ...." JA1079. One such individual was alleged to be Sheik ***102** Abdallah bin Abd-al Rahman al Basam, who "simultaneously served as chairman of the Sharia Supervisory Committee in the IIRO, and as a member of the Sharia Committee of the al Rajhi Bank. He was also a member of the Holy Qura Committee of the [MWL]." JA2484-85.

Plaintiffs' allegations were corroborated by The Wall Street Journal report of the extensive contacts between Al Rajhi Bank and al-Qaeda:

> Islamic extremists have used Al-Rajhi Banking & Investment Corporation (ARABIC) since at least the mid-1990s as a conduit for terrorist transactions, probably because they find the bank's vast network and adherence to Islamic principles both convenient and ideologically sound. Senior al-Rajhi family members have long supported Islamic extremists and probably know that terrorists use their bank. Reporting indicates that senior al-Rajhi family members control the bank's most important decisions and that ARABIC'S principle [sic] managers answer directly to Suleiman. The al-Rajhis know they are under scrutiny and have moved to conceal their activities from financial regulatory authorities.

JA7882.[114] Based on these allegations, Al Rajhi Bank had reason to know of the charities' "extensive sponsorship of al

Qaida's operations, and consequently that the accounts maintained by Al Rajhi Bank on behalf of ***103** those organizations were being used to channel funds to al Qaida." JA3828.

Plaintiffs made further allegations connecting the Al Rajhi family, "which owns and controls Al Rajhi Bank," to al-Qaeda, including that they have ties to Osama bin Laden's personal secretary, are major donors to the SAAR network, and are closely associated with wealthy donors to Osama bin Laden identified on the Golden Chain. SPA56 (*Terrorist Attacks I*); JA1081-85; Companion Brief at Point LB.2(c). The district court found such allegations to be insufficient because plaintiffs did not also provide "allegation[s] that the family members were acting in furtherance of Al Rajhi Bank business." SPA57 (*Terrorist Attacks I*). The district court missed the point entirely, though, in focusing on the family members' *actions* and whether they furthered the bank's business. As the D.C. Circuit found in *Al-Adahi*, these allegations of the family members' *affiliations* and *patterns of behavior* paint a mosaic revealing intimate involvement with al-Qaeda. As a result, these allegations support a reasonable inference that defendants' provision of material support to al-Qaeda was done either knowingly or recklessly.

***104** The district court made the same error in finding insufficient allegations that Al Rajhi Bank provided material support to Hamas and other terrorists, including through provision of funds to Tulkarm Charity Committee, a known front for Hamas. SPA56-57 (*Terrorist Attacks I*); JA1077-79. Plaintiffs also alleged that Al Rajhi Bank hosted its website with Infocom, a Texas-based company owned and operated by Mousa Marzook, a Hamas leader and designated terrorist. SPA56 (*Terrorist Attacks I*); JA1077-78. Infocom has provided funding to Hamas, and Al Rajhi Bank has made transfers from its accounts to Marzook and Infocom. SPA56 (*Terrorist Attacks I*). The district court found these allegations to be insufficient to support the ATA claim on the ground that "[p]laintiffs have not alleged any relationship between Hamas and al Qaeda or the terrorist attacks of September 11." *Id.* at 57. Again, this ignores that such allegations provide greater support for an inference that Al Rajhi Bank had the requisite mental state when providing material support to al-Qaeda, because associates of terrorists tend to be aware of and involved in numerous activities of terrorists.

Allegations against the other defendants provide support for the same inference. The pleadings allege that Saudi American Bank has a close ***105** relationship with the Saudi Bin Laden family and "directly and materially supported Hamas, Palestinian Islamic Jihad, and other terrorist groups in that region" by "participat[ing] in the scheme to fund terrorists in Gaza and the West Bank." *Id.* at 58; JA3089.

DMI Trust is alleged to have served as one of the central banking entities that, beginning in the early 1980s, Saudi Arabia used to "channel[] massive financial support for the spread of Wahhabism, the radical brand of Islam at the heart of the al Qaida ideology" by "provid[ing] material support and resources to al Qaeda ...." JA3833, 4331. The pleadings also allege that DMI Trust has extensive relationships with al-Qaeda and its closest operatives. For example, DMI Trust is the parent company of Islamic Investment Company of the Gulf, which is the parent of Al Shamal Bank. JA2570. Osama bin Laden helped establish Al Shamal Bank in 1991 by providing capital of $50 million, and it has since held accounts for numerous al-Qaeda operatives. JA2570-71. Adel Baterjee, a wealthy Saudi businessman and close associate of Osama bin Laden, is the chairman of Al Shamal Bank. JA2587. All of DMI Trust's entities are chaired by Price Mohamed al-Faisal al-Saud, a known collaborator of al-Qaeda, who has "engaged in the sponsorship of international terrorism through [DMI ***106** Trust], the Faisal Islamic Bank and Al Shamal Bank." JA902, 2584. DMI S.A., the wholly owned and controlled subsidiary of DMI Trust, owns 100% of Islamic Investment Company of the Gulf, for which Mohamed al-Faisal al-Saud was the Chairman and Haydar Mohamed Bin Laden, the brother of Osama bin Laden, was a Director, and which is the main shareholder of Faisal Islamic Bank (Sudan). JA832, 2562. DMI Trust also appointed Hassan Abdallah Al Turabi, who has "embrace[d] an ideology of violence ...[,] promote[d] violent jihad ...[,] and encouraged radical Islamic terrorist groups such as al Qaeda" as a supervising Board of Director. JA2576-82. Youssef al-Karadawi, "the spiritual leader of the Muslim Brotherhood who promotes the ... philosophy of jihad" and "has been barred from entering the [United States] since November 1999 for his alleged support of terrorism and affiliations with al-Qaeda associates[,]" has served as a "member of the Religious Board of DMI Trust ...." JA2590-92.

In addition, the pleadings allege that Saleh Abdullah Kamel "established Dallah Al Baraka as a central house for Islamic terrorism when al Qaeda first started carrying out attacks against the United States." JA4314. Saleh Abdullah Kamel visited Sudan in 1991 with Saudi officials ***107** and businessmen -- including Yassin Al-Qadi, who was named as a Specially Designated Global Terrorist on October 12, 2001 -- and entered into "symbiotic business" investments with Osama bin Laden's entities and the government of Sudan. JA3132. Saleh Abdullah Kamel was also listed as a board member for IIRO's office in Washington, DC, and he was reported to have "major investments" in Bank Al-Taqwa, a notorious Specially Designated Global Terrorist. JA3125-26, 3146. Dallah al Baraka "is a shareholder of Aqsa Islamic Bank, a bank that Israel has refused to approve, 'citing obvious ties with known terrorists.' " SPA60 (*Terrorist Attacks I*).

Both Saleh Abdullah Kamel and Al Rajhi Bank's chairman and managing director, Suleiman Abdel Aziz al Rajhi, are alleged to have been identified in the "Golden Chain" document as one of al-Qaeda's principal financiers. JA3164, 3866-67, 3869-70; *see also supra* pp. 56-60. United States intelligence agencies concluded that the seized materials were authentic al-Qaeda documents that chronicle the formation of al-Qaeda, detail its financial and organizational structure, and identify al-Qaeda's most important financial benefactors and the individuals responsible for coordinating their contributions. *See supra* at pp. 54-55 nn.85-86. Jamal al ***108** Fadl, a senior al-Qaeda official who defected and became a cooperating witness for the United States, has authenticated the Golden Chain document. *See supra* at 55 n.86. The Treasury Department has used inclusion on that list as a basis for designating individuals as terrorist sponsors and for freezing their assets under Executive Order 13224. *Id*. The Golden Chain has been relied upon by the United States as an exhibit in multiple criminal cases. *See supra* at pp. 54-55 nn.85-86. And, the **9**/**11** Commission's Final Report also relied upon the Golden Chain. *See supra* pp. 25-26 & n.8.

These allegations, taken together, detail an extensive relationship between the defendants and al-Qaeda, giving rise to a reasonable inference that the defendants' provision of material support to al-Qaeda was knowing or, at the very least, reckless. The reasonableness of this inference is supported by the D.C. Circuit's judicial review of habeas petitions brought on behalf of Guantanamo Bay detainees. *See, e.g., Al Alwi v. Obama*, 653 F.3d 11 (D.C. Cir. 2011); *Uthman v. Obama*, 637 F.3d 400 (D.C. Cir. 2011); *Al-Adahi*, 613 F.3d at 1102; *Al-Bihani v. Obama*, 590 F.3d 866 (D.C. Cir. 2010), *cert. denied*, 131 S. Ct. 1814 (2011). In order to have a basis to continue to detain a petitioner, the United States has been required to ***109** prove that a detainee was "more likely than not ... part of, or substantially supported, Taliban or al-Qaida forces or associated forces ...." *Al Alwi*, 653 F.3d at 15. This inquiry is fact specific and has required the court to infer, based on circumstantial evidence, a petitioner's state of mind -- whether he was "part of" al-Qaeda. *See, e.g., id*. at 17-18; *Uthman*, 637 F.3d at 407 ("[I]t remains *possible* that Uthman was innocently going about his business ... [but] the far more likely explanation for the plethora of damning circumstantial evidence is that he was part of al Qaeda"); *Salahi*, 625 F.3d at 751-52 ("[T]he determination of whether an individual is 'part of al-Qaida must be made on a case-by-case basis by using a functional rather than a formal approach and by focusing upon the actions of the individual in relation to the organization" (quotation marks and citations omitted)).

The standard employed by the D.C. Circuit is substantially more rigorous than that required in the present case, both because the United States must establish its case by a preponderance of evidence (rather than the pre-discovery, prima facie showing required here), and because the issue is whether a defendant actually served as "part of" al-Qaeda (rather than whether it simply provided knowing support to al-Qaeda). *Compare Al Alwi*, 653 F.3d at 15 (government must put forward evidence proving ***110** that the petitioner was "more likely than not ... part of, or substantially supported, ... al-Qaida"), *with Iqbal*, 129 S. Ct. at 1949 (plaintiffs' allegations need merely "allow [] the court to draw the reasonable inference that the defendant is liable for the misconduct alleged"), *and Boim III*, 549 F.3d at 693 (required mental state under the ATA is whether defendant "kn[ew] that the organization" to which he provided material support "engage[d] in [terrorist] acts or [wa]s deliberately indifferent to whether it d[id]").

Even applying this more stringent standard, the D.C. Circuit has consistently found that habeas petitioners were "part of" al-Qaeda. *See Al Alwi*, 653 F.3d at 18 (collecting cases). For example, in *Al-Bihani*, the court held that an individual's presence at "Al Qaeda training camps in Afghanistan" or "Al Qaeda guesthouses ... overwhelmingly, if not definitely, justif[ies] the government's detention ...." 590 F.3d at 873 n.2. In *Uthman*, the court looked at a variety of factors, including that the petitioner had attended a religious school where al-Qaeda had recruited fighters and "traveled to Afghanistan along a route used by al Qaeda recruits," to reach the same conclusion. 637 F.3d at 403-04. And, on numerous occasions, the D.C. Circuit has reproached the district court for ***111** its failure to draw reasonable inferences from a petitioner's contacts with those associated with al-Qaeda. *See, e.g., Al Adahi*, 613 F.3d at 1109-10 (finding that the district court "committed ... the fallacy of the possible proof" in declining to infer that the petitioner had a close relationship with al-Qaeda's leadership based on the possibility that the evidence showing his deep knowledge of al-Qaeda's leadership *could* have been learned some other way); *Salahi*, 625 F.3d at 753 (finding that petitioner's limited relationships with al-Qaeda operatives did not "independently ... prove that he was 'part of' al-Qaida, those connections make it more likely that [he] was a member of the organization ... and thus remain relevant to the question of whether he is detainable").

Thus, even in that more rigorous context, the D.C. Circuit has squarely rejected the approach taken by the district court here (ignoring the context of a defendant's alleged actions and examining each allegation in isolation). For example, the habeas cases repeatedly find that an inference of al-Qaeda membership may be drawn from a pattern of dealing with persons associated with al-Qaeda or from sharing characteristics with those persons. *See* Uthman, 637 F.3d at 407 (circumstantial evidence, in the form of repeated dealings with al-Qaeda, sufficient to establish membership) ***112** (collecting cases). As the D.C. Circuit held, such "evidence tend[s] to show [the detainee's] close relationship with these men and thus strengthen[s] the probability that he was part of al-Qaida." *Al Adahi*, 613 F.3d at 1109; *accord Uthman*, 637 F.3d at 407 ("[detainee's] actions and recurrent entanglement with al Qaeda show that he more likely than not was part of al Qaeda"). Just as clearly, the D.C. Circuit has recognized that courts "must view the evidence collectively rather than in isolation." *Salahi*, 625 F.3d at 753. "Merely because a particular piece of evidence is insufficient, standing alone, to prove a particular point does not mean that the evidence 'may be tossed aside and the next [piece of evidence] may be evaluated as if the first did not exist.' " *Id.* (quoting *Al-Adahi*, 613 F.3d at 1105) (brackets in original).

4. The District Court Vailed to Accept the Truth of the Tacts Alleged.

In considering a motion to dismiss, courts are of course under an obligation to "assume the[] veracity" of the plaintiffs' factual allegations and to view them "in a light most favorable to the plaintiff." *Iqbal*, 129 S. Ct. at 1950; *Matson*, 631 F.3d at 72. In addressing crucial allegations bearing directly on defendants' state of mind, the district court failed to follow these basic principles.

***113** For example, when analyzing the claims against Al Rajhi Bank, the district court rejected the truth of plaintiffs' allegations, and instead, accepted Al Rajhi Bank's version of events. After recounting plaintiffs' allegation that Al Rajhi Bank had a duty to inquire into the recipients of their *zakat* donations, the district court noted that Al Rajhi Bank "submits it did not have a duty, or a right, to inspect the ... charities' financial transactions to ascertain the ultimate destination of its donations." SPA56 (*Terrorist Attacks I*). The district court continued, "Al Rajhi Bank contends it had a legal and religious duty to make its charitable donations and any terrorist activity by the recipient charities was unknown to Al Rajhi Bank." *Id.* The district court then concluded that the "[p]laintiffs do not offer facts to support their conclusions that Al Rajhi Bank had to know that ... [the recipient] charities ... were supporting terrorism." *Id.* at 57. To reach this finding, the district court necessarily ignored or declined to assume the truth of plaintiffs' express allegation that Al Rajhi Bank was "required to determine that the ultimate recipients of these contributions fall within one of the categories prescribed in the Quran for recipients of Zakat." *Id.* At the pleading stage, the court's reasoning is error. *See Iqbal*, 129 S. Ct. at 1950; *Matson*, 631 F.3d at 72.

***114** The district court also failed to follow the standards that govern review of a motion to dismiss when it rejected "as having no evidentiary value" the plaintiffs' allegations that Saleh Abdullah Kamel and Al Rajhi Bank's chairman and managing director, Suleiman Abdel Aziz al Rajhi, were listed on the Golden Chain. SPA247 (*Terrorist Attacks V*); *accord* SPA110 (*DMI-Kamel*); SPA42 (*Terrorist Attacks I*).

This finding is not only an impermissible rejection of plaintiffs' allegations concerning the Golden Chain, but also is inconsistent with the findings of other courts and the Executive branch. For example, the Golden Chain -- along with other documents discovered in the same raid -- was relied upon by the Government in an Evidentiary Proffer of al-Qaeda sponsor, Enaam Arnaout, and also referenced and used as a resource in Arnaout's sentencing hearing. *See supra* pp. 54-55 nn.85-86. It was cited in the 9/11 Commission's Final Report in July 2004, *see supra* pp. 25-26 & n.8, and the CRS has cited it in numerous reports, *see supra* p. 56. The 9/11 Commission Monograph on Terrorism Financing cites to "a group of wealthy donors from the Persian Gulf region known as the "Golden Chain," which provided support to ... Usama Bin Ladin." *See supra* p. 55 & n.87. The 9/11 Monograph continues:

> ***115** The material seized [in Bosnia] included many documents never before seen by U.S. officials, such as the actual minutes of al Qaeda meetings, the al Qaeda oath, al Qaeda organizational charges, and the "Golden Chain" list of wealthy donors to the Afghan mujahideen ....

See supra p. 56 n.89. The Golden Chain has also been used by the U.S. Treasury Department in designating persons as Specially Designated Global Terrorists. *See supra* p. 55 n.86.

The district court committed further error by failing to credit plaintiffs' allegations that DMI Trust, Dallah al Baraka, and Saleh Abdullah Kamel controlled their subsidiaries that provided material support to al-Qaeda. *See* SPA245, 247 (*Terrorist Attacks V*); SPA109 (*DMI-Kamel*); SPA60 (*Terrorist Attacks I*). A plaintiff sufficiently pleads an ATA claim by alleging that the defendant provided material support to terrorists through an entity that the defendant controlled. *See Wyatt*, 785 F. Supp. 2d at 648 (finding that plaintiffs stated an ATA claim where they alleged that company controlled intermediary through which it provided material support). As the D.C. Circuit explained, "[w]hen one entity so dominates and controls another that they must be considered principal and agent, it is appropriate, under [the ATA], to look past their separate juridical identities ***116** and to treat them as aliases." *Nat'l Council of Resistance of Iran v. Dep't of State*, 373 F.3d 152, 157 (D.C. Cir. 2004).

The plaintiffs' allegations met this standard. For example, plaintiffs allege that DMI Trust and DMI S.A. "directly participate in the oversight and management of DMI Trust's subsidiary and associate entities." JA4329. In addition, DMI Administrative Services, S.A. is alleged to be "a wholly owned subsidiary directly controlled by DMI Trust," JA4330, and DMI Trust is alleged to have "direct involvement" over Faisal Islamic Bank, JA4331. Plaintiffs also allege that Kamel "headed" Dallah al Baraka and its wholly-owned subsidiary, ABID Corp., which "exercised control and direction" over numerous subsidiaries. JA1782, 3122, 3832.

C. The District Court Incorrectly Disregarded Extensive Allegations of Support to al-Qaeda by Defendants Dallah al Baraka and Saleh Abdullah Kamel in the Early to Mid 1990s

The district court also found that the plaintiffs had not pled "the requisite causal connection" for their ATA claims against Dallah al Baraka and Saleh Abdullah Kamel because "the alleged provision of material support" to "Osama bin Laden ... during the early 1990s ... is too remote from the 9/11 terrorist attacks ...." SPA247 (*Terrorist Attacks V*). This conclusion resulted from a legal error regarding the applicable pleading ***117** standard and a legal error regarding the inferences that may reasonably be drawn about support for terrorism, especially against the backdrop of Congress' intended scope of the ATA. The court also made a critical factual error that necessitates correction.

First, the district court incorrectly applied a heightened pleading standard regarding this specific issue. To establish causation when an undefined period of time separates the material support alleged from the terrorist attack, the district court required that the plaintiffs plead:

> sufficient factual allegations of a connection between the material support provided and the acts of terrorism that caused plaintiffs' injuries, such that a *reasonable trier of fact* could conclude that it was *more likely than not* that the support provided by the defendant assisted the terrorists in the commission of the terrorist act.

Id. at 239 (emphasis added). The court's "more likely than not" and "reasonable trier of fact" requirements are inconsistent with *Iqbal/ Twombly*, which only require that a plaintiff plead facts that permit "the court to draw the reasonable inference that the defendant is liable for the misconduct alleged." *Iqbal*, 129 S. Ct. at 1949. The district court's standard therefore imposed a much greater burden on the plaintiffs than is permitted at this stage of the proceeding.

***118** In addition, the inference that support for al-Qaeda in the early and mid 1990s contributed to al-Qaeda's capabilities and terrorist activities only a few years later, in 2001, is entirely reasonable -- indeed, any other conclusion is unreasonable. Plaintiffs' allegation, which must at this stage be taken as true, was that support in the years leading up to the September 11 attacks, including support for al-Qaeda in Sudan, was essential to al-Qaeda's ability to achieve the global scale and capability necessary to mount a significant transborder attack. *See* JA3777-78. In particular, plaintiffs alleged that support during that crucial period enabled al-Qaeda to expand its footprint, train terrorists, plot and plan acts of terror, and carry out such acts around the world. JA798-800, 823, 843-44, 3783, 3836, 3871; *cf.* SPA152 (*Terrorist Attacks IV*) (as the district court elsewhere acknowledged, "[s]ince its inception in the late 1980's, al-Qaeda has relied on well-placed financial facilitators and logistical sponsors to raise, manage and distribute money and resources, enabling it to grow rapidly into a formidable international terrorist network").

Imposing ATA liability on defendants who provide this crucial formative support for a terrorist organization is clearly consistent with Congress' intent, *see supra* pp. 66-73, and consistent with the nature of ***119** how terrorist groups grow and become capable of undertaking attacks which, like the September 11 attacks, often take years of planning and development. See, *e.g.*, **9**/**11** Commission Final Report p. 48. Thus, as the Seventh Circuit has held *en banc*, the ATA is predicated on the assumption that "[t]errorism campaigns often last for many decades .... Seed money for terrorism can sprout acts of violence long after the investment." *Boim III*, 549 F.3d at 700. The court went so far as to conclude that, as a general matter, imposing liability upon "someone who with the requisite state of mind contributed to a terrorist organization in 1995 that killed an American abroad in 2045 ... would not be as outlandish, given the character of terrorism, as one might think." *Id.* at 699-700. Here, of course, a much more direct connection of a few years exists between defendants' acts that supported the development of what became the world's most extensive and capable global terrorist organization and that group's execution of its most sophisticated and deadly operation.

Lastly, the district court found that "[t]he United States had not even been targeted by al Qaeda" when "defendants provided [Osama bin Laden] with funding" while "in Sudan during the early 1990's." SPA247 (*Terrorist Attacks V*). This finding is blatantly incorrect. *See supra* pp. 28- ***120** 29. Osama bin Laden had been openly "singl[ing] out the United States for attack" "since 1992." 9-11 Commission Final Report, at 48. "Plans to attack the United States were developed with unwavering single-mindedness throughout the 1990s." *Id.*

II. The District Court Improperly Dismissed The Alien Tort Statute Claims Because The Statute Encompasses Claims Based On Acts Related To International Terrorism

The district court dismissed the Alien Tort Statute ("ATS") claims against a handful of defendants because it thought plaintiffs were required to, but did not, plead "factual allegations [to] support a reasonable inference that the defendant[s] purposefully aided and abetted, conspired with, or materially supported al Qaeda in the commission of an act of terrorism involving the hijacking of a commercial airplane." SPA233 (*Terrorist Attacks V*). That holding is based on a mistaken assumption that the ATS authorizes, or plaintiffs alleged, only tort claims based on the hijacking of a commercial airplane in violation of international law. Neither the ATS nor plaintiffs' complaints are so limited. Instead, the ATS permits the federal courts to adjudicate a civil action "by an alien for a tort only, committed in violation of the laws of nations or a treaty of the United States." 28 U.S.C. § 1350. As explained below, the "laws of nations" ***121** prohibit acts of international terrorism, including the provision of material support for terrorism, and is not so narrowly focused on hijacking commercial airplanes. *See infra* at Points II.B & C. And, plaintiffs adequately pled facts that readily support a reasonable inference that defendants knowingly and intentionally provided financing and other forms of material support to al-Qaeda to further its international terrorism. *See supra* Points I.B.2 & I.B.3.

The ATS is a jurisdictional statute that Congress enacted as part of the Judiciary Act of 1789 on the "understanding that the common law would provide a cause of action for the modest number of international law violations with a potential for personal liability at that time," namely "violation of safe conducts, infringement of the rights of ambassadors, and piracy." *Sosa v. Alvarez-Machain*, 542 U.S. 692, 712, 724 (2004). In *Sosa*, the Supreme Court held that federal courts also may permit aliens to assert tort claims "based on the present-day law of nations" as long as they "rest on a norm of international character accepted by the civilized world and defined with a specificity comparable to the features of the 18th-century paradigms." *Id.* at 724-25. In making this determination, courts should consider "the potential implications for the foreign relations of the United ***122** States" and should be "wary of impinging on the discretion of the Legislative and Executive Branches in managing foreign affairs." *Id.* at 727.

In cases decided after *Sosa*, this Court has looked to three factors to determine whether a claim adequately alleges a violation of customary international law that is cognizable in a tort action under the ATS. To state an ATS claim, the alleged tort must involve a violation of a norm of customary international law that is "(1) universal and obligatory, (2) specific and definable, and (3) of mutual concern [to States.]" *Abdullahi v. Pfizer, Inc.*, 562 F.3d 163, 177 (2d Cir. 2009), *cert. denied*, 130 S. Ct. 3541 (2010). As the district court recognized, SPA233 (*Terrorist Attacks V*), aircraft hijacking has long been recognized as a violation of international law that meets these criteria and can give rise to tort claims under the ATS. *See, e.g., Kadic v. Karadzic*, 70 R3d 232, 239 (2d Cir. 1996); *cf. United States v. Yunis*, 924 F.2d 1086, 1092 (D.C. Cir. 1991). What the district court failed to recognize, however, is that the broader concept of international terrorism is also a violation of customary international law that is actionable under the ATS, and plaintiffs adequately alleged that defendants engaged in, and aided and abetted, illegal acts of international terrorism.

*123 A. Plaintiffs Alleged That Defendants Violated the ATS By Intentionally Facilitating International Terrorism

The Burnett plaintiffs allege that "the Defendants, individually, jointly and severally, aided and abetted, sponsored, financed, promoted, fostered, materially supported, or otherwise conspired to proximately cause the death and injury of innocent persons namely the Plaintiffs herein through and by reason of acts of international terrorism -- the heinous attacks of September 11, 2001." JA970. "As a result and proximate cause of the Defendants' sponsorship of terrorism in violation of the law of nations and customary principles of international law, the Plaintiffs suffered injury and damages as set forth herein." JA972. Such allegations state a claim under the ATS because facilitation of international terrorism is a violation of customary international law that is universal, obligatory, specific and of mutual concern to States.

B. Acts of International Terrorism are a Violation of Customary International Law

In considering whether alleged violations of customary international law are universal, obligatory, specific and of mutual concern to States, courts consider whether the conduct is banned by international conventions and treaties ratified by an overwhelming majority of States, ***124** condemned by binding United Nations Security Council resolutions, and repudiated by individual nations. *See, e.g., Flores v. S. Peru Copper Corp.*, 414 F.3d 233, 256-57, 261-62 (2d Cir. 2003); *Filartiga v. Pena-Irala*, 630 F.2d 876, 881-84 (2d Cir. 1980). Because the Constitution specifically gives Congress the power to "define and punish ... Offenses against the Law of Nations," U.S. Const., art. I, § 8, cl. 10, courts should also accord deference to Congress's determination of what conduct constitutes an offense under the law of nations. *See, e.g., Ex parte Quirin*, 317 U.S. 1, 26 (1942).

Plaintiffs have stated valid ATS claims because international conventions, U.N. Security Council resolutions, the domestic laws of many nations, and laws enacted by Congress pursuant to its authority to define and punish offenses against the laws of nations all demonstrate that there is a universal and obligatory norm against the commission of and material support of international terrorism alleged here -- namely, transnational acts intended to cause death or serious bodily injury to civilians for the purpose of intimidating the population or compelling a government to do some act or refrain from acting.

*125 *1. United Nations Security Council resolutions*

The U.N. Security Council has adopted numerous resolutions condemning international terrorism and support for international terrorism. In 1998, for example, the Security Counsel adopted a resolution "[s]trongly condemn[ing] the terrorist bomb attacks" on the U.S. Embassies in Kenya and Tanzania on August 7, 1998 "which claimed hundreds of innocent lives, injured thousands of people, and caused massive destruction to property." S.C. Res. 1189, U.N. Doc. S/RES/1189 (Aug. 13, 1998) at ¶ 1. Later in 1998, the Security Council issued a resolution expressing concern about the "continuing use of Afghan territory, especially areas controlled by the Taliban, for the sheltering and training of terrorists and the planning of terrorist acts, and *reiterating* that the suppression of international terrorism is essential for the maintenance of international peace and security." S.C. Res. 1214, U.N. Doc. S/RES/1214 (Dec. 8, 1998) at preamble and ¶ 13 (emphasis in original). In addition to the Security Council, the U.N. General Assembly has also adopted resolutions condemning intentional terrorism, including the provision of support to terrorists. *See, e.g.*, G.A. Res. 210, U.N. GAOR, 51st Sess., Annex 1 at 6, U.N. Dec. A/RES/51/210 (1997) (declar[ing] that knowingly ***126** financing, planning and inciting terrorist attacks are ... contrary to the purposes and principles of the United Nations").

Since the September 11th Attacks, the Security Council has continued to condemn international terrorism and the provision of material support for terrorism and to assert that it poses a serious threat to peace and security. *See, e.g.*, S.C. Res. 1373 (Sept. 28, 2001) (deciding that States shall "[p]revent and suppress the financing of terrorist acts," and "[c]riminalize the willful provision or collection, by any means, directly or indirectly, of funds by their nationals or in their territories with the intention that the funds should be used, or in the knowledge that they are to be used, in order to carry out terrorist acts"); S.C. Res. 1377 (Nov. 12, 2001) (declaring "that acts of international terrorism constitute one of the most serious threats to international peace and security in the twenty-first century, ... that acts of international terrorism constitute a challenge to all States and to all humanity").

2. International conventions

The Security Council has defined international terrorism in accordance with the definition used in international treaties to combat international terrorism. *See, e.g.*, S/RES 156 (Oct. 8, 2004) (recalling that ***127** acts "which constitute offenses within the scope of and as defined in the international conventions and protocols relating to terrorism, are under no circumstances justifiable ... and calls upon all States to ... ensure that such acts are punished"). One of the principal treaties to combat international terrorism is the 1999 Financing Terrorism Convention. Article 2.1 of that Convention states:

> Any person commits an offence within the meaning of this Convention if that person by any means, directly or indirectly, unlawfully and willfully, provides or collects funds with the intention that they should be used, in full or in part, in order to carry out: (a) An act which constitutes an offence within the scope of and as defined in one of the treaties listed in the annex;[115] or (b) Any other act intended to cause death or serious bodily injury to a civilian, or to any other person not taking an active part in the hostilities in a situation of armed conflict, when the purpose of such act, by its nature or context, is to intimidate a population, or to compel a government or an international organization to do or to abstain from doing any act.

International Convention for the Suppression of the Financing of Terrorism (Dec. 9, 1999) (1999 Financing Terrorism Convention), 2178 U.N.T.S. 197. The 1999 Financing Terrorism Convention was signed by at least 39 nations ***128** before September 11, 2011, entered into force on April 10, 2002, and now has 132 signatories and 174 parties. *See United States v. Bahlul*, No. 09-001, 2011 U.S. CMCR LEXIS 3, at *126-27 (CMCR Sept. 9, 2011).

Most of the regional and multilateral conventions regarding terrorism employ a similar definition. *See* Interlocutory Decision on the Applicable Law: Terrorism, Conspiracy, Homicide, Perpetration, Cumulative Charges (Applicable Law for Special Tribunal for Lebanon), 50 I.L.M. 513, 536 (Spec. Trib. For Leb. July 2011) (discussing conventions). In addition, "all of these conventions require--through the definition of the actus reus (the material element of a crime) or by additional provisions--a transnational element to the crime." Id. These international treaties and conventions support the conclusion that "conduct in support of terrorism [is] internationally condemned and criminal." *United States v. Hamdan*, 801 F. Supp. 2d 1247, 1284 (CMCR 2011).

3. Domestic laws of nations

Countries throughout the world have adopted a similar definition of terrorism in their domestic law (although in some cases the domestic definition is broader than the definition in the international conventions because it does not include the transnational element). *See, e.g., Applicable* ***129** *Law for Special Tribunal for Lebanon*, 50 I.L.M. at *537-39; *Bahlul*, 2011 U.S. CMCR Lexis 3, at *138-148. For these reasons, at least one international court has found that there is a general opinion and practice such that international terrorism is a violation of customary international law. *See Applicable Law for Special Tribunal for Lebanon*, 50 I.L.M. at *535; *Hamdan*, 801 F. Supp. 2d at 1288-92.

4. Congress and federal courts

United States courts have also found that there is a customary international law norm against international terrorism and the provision of material support for international terrorism. *See Almog*, 471 F. Supp. 2d at 284-85, 291-294 (finding plaintiffs stated ATS claims based on allegations that defendants committed acts of international terrorism that "essentially track the conduct specifically condemned in the Financing and Bombing Conventions, as well as in the ATA sections which implement those Conventions"); *Bahlul*, 2011 U.S. CMCR LEXIS 3, at *134-35 (rejecting argument that crime of providing material support for terrorism is a "novel domestic crime" that was not recognized or charged as a war crime before passage of the Military Commissions Act of 2006, because there is " 'ample evidence' that an 'intent' or 'manner calculated to influence or affect the ***130** conduct of the government ... by intimidation or coercion,' ... now constitutes 'international custom' "); *Hamdan*, 801 F. Supp.2d at 1312 ("offense of providing material support to terrorism" is a violation of the law of war).

This conclusion is reinforced and "informed by the legislative guidance provided by Congress." *Almog*, 471 F. Supp. 2d at 285. Congress, acting pursuant to its Constitutional authority to define and punish violations of the law of nations, has enacted the ATA provisions creating a civil cause of action for U.S. nationals injured by acts of international terrorism. *See id*. at 294; *see also supra* at pp. 66-72. Congress also enacted a provision of the Military Commissions Act of 2006 making it an offense to provide material support for terrorism, which is defined to include "provid[ing] material support ... for, or in carrying out an act of terrorism" and "intentionally provid[ing] material support or resources to an international organization engaged in hostilities against the United States." 10 U.S.C. § 950v(b)(25)(A). Terrorism, in turn, is defined as the intentional killing or infliction of "great bodily harm" on protected civilians "in a manner calculated to influence or affect the conduct of the government or civilian population by intimidation or coercion, or to ***131** retaliate against government conduct ...." *Id.* § 950v(b)(24). After an exhaustive review of the international treaties, Security Council Resolutions, and domestic laws of many nations, the U.S. Court of Military Commission Review recently held that these prohibitions on terrorism are "consistent with international norms applicable at the time" of the September 11th Attacks and "consistent with the general principles of law recognized by civilized nations." *Bahlul*, 2011 U.S. CMCR LEXIS 3, at *149.

Recognizing international terrorism also fully accords with *Sosa's* direction to consider "the potential implications for the foreign relations of the United States" and to be "wary of impinging on the discretion of the Legislative and Executive Branches in managing foreign affairs." *Sosa*, 542 U.S. at 727. Like pirates, international terrorists such as al-Qaeda are widely reviled and prosecuted by all States. Indeed, many of the most effective counter-terrorism efforts directed against organizations such as al-Qaeda, in the fields of cross-border finance and otherwise, arise through the coordinated actions of many different types of States. This unanimity of action ensures that permitting ATS claims for international terrorism reflected in the September 11th Attacks has no potentially negative implications for the foreign relations of the United States, which of course ***132** has focused its own foreign affairs over the past decade on eradicating and securing international support to eradicate just this type of international terrorism. Similarly, there is no risk of impinging on the coordinate Branches. Congress has through legislation opened the doors to civil claims and to criminal prosecutions for actions that facilitate international terrorism. *See* 18 U.S.C. §§ 2333, 2339A-2339C; *see supra* at pp. 99-100 (military prosecutions); Companion Brief, at Point I.A.3. And, the Executive Branch has vigorously implemented those statutes and pursued a range of enforcement actions against the financiers, supporters, and other agents of international terrorism in a manner entirely consistent with recognition of an ATS claim for international terrorism in this context. *See* Companion Brief at Point I.A.3.

C. International Terrorism Is Sufficiently Definite and of Mutual Concern to States

As the materials set out above indicate, transborder terrorism attacks undertaken by organizations such as al-Qaeda and its associates are just the sort of definite acts of mutual concern to States that the ATS is designed to enable. Whatever the definitional difficulties at the margins, concerning fighters in internal disturbances or civil wars or political parties with fringe militarist arms, those concerns do not apply to the September 11th Attacks. ***133** Nothing in this Court's decision in *United States v. Yousef*, 327 F.3d 56 (2d Cir. 2003) (per curiam), requires a different result. To be sure, the court in *Yousef* stated that "customary international law currently does not provide for the prosecution of 'terrorist' acts under the universality principle, in part due to the failure of States to achieve anything like consensus on the definition of terrorism." *Id.* at 97. But it did so largely because there has been some disagreement among States on how to distinguish "terrorists" from "freedom fighters," and because the district court had rested its holding on the Restatement (Third) of the Foreign Relations Law of the United States instead of primary sources of international law. *Id.* at 98-103, 107-08. Those concerns are not present here.

Any disagreement about how to characterize attacks by domestic attacks within a country by national liberation movements is inapplicable to al-Qaeda's international terrorist attacks on innocent civilians in the United States. *See Almog*, 471 F. Supp. 2d at 281; *Bahlul*, 2011 U.S. CMCR LEXIS 3 at *128. And the primary sources of international law discussed above reveal a customary norm of international law that directly covers the acts of international terrorism alleged in these cases -- transnational attacks, ***134** and the provision of material support for such attacks, on innocent civilians intended to influence the conduct of a government or population by intimidation or coercion. That norm is no "less definite [in] content ... than the historical paradigms familiar when [the ATS] was enacted." *Sosa*, 532 U.S. at 732; *cf. Abdullahi*, 562 F.3d at 184 (although there are varying definitions of piracy, it is actionable under the ATS because " 'whatever may be the diversity by definitions,' " there was a consensus " 'that robbery or forcible depredations upon the sea ... is piracy' ") (quoting *United States v. Smith*, 18 U.S. (5 Wheat) 153, 159-61 (1820)).

Finally, international terrorism is clearly "capable of impairing international peace and security," *Mores*, 414 F.3d at 249, a factor this court has found to be "important" in demonstrating that the international law norm is of " 'mutual' concern to States," and thus actionable under the ATS, *Abdullahi*, 562 F.3d at 185. The U.N. Security Council Resolutions specifically state as much, *see supra* at Point n.b.2, and the United States invaded Afghanistan because the Taliban regime had supported al-Qaeda prior to the September 11th Attacks. *See Hamdan v. Rumsfeld*, 548 U.S. 557 567-68 (2006) (discussing Authorization for Use of Military Force, 115 Stat. 224 (2001)).

***135** For these reasons, there is a customary international norm against the commission of and provision of material support for acts of international terrorism that is sufficiently universal, obligatory, definite, and of mutual concern to States to give rise to a claim under the ATS. Thus, plaintiffs' allegations that defendants purposefully provided financing and other forms of material support to al-Qaeda to further its terrorist mission to attack the United States and its nationals state a claim under the ATS, without regard to whether they also state a claim for aiding and abetting the September 11th Attacks. The district court therefore erred as a matter of law in dismissing the ATS claims on the ground that they failed to allege that defendants "purposefully aided and abetted, conspired with, or materially supported al Qaida in the commission of an act of terrorism *involving the hijacking of a commercial airplane*." SPA233 (*Terrorist Attacks V*) (emphasis added).

III. The District Court Improperly Dismissed the Torture Victim Protection Act Claims

Plaintiffs also brought claims under the Torture Victim Protection Act ("TVPA"), which provides a cause of action for victims of torture or extrajudicial killings perpetrated by "individual[s]" acting "under actual or apparent authority, or color of law, of any foreign nation." 28 U.S.C. § 1350 ***136** note. The district court dismissed plaintiffs' TVPA claims against defendants Al Rajhi Bank, Saudi American Bank, and National Commercial Bank on the ground that corporate entities are not "individuals" who may be sued under the TVPA. SPA52 (*Terrorist Attacks I*) (citing *Arndt v. UBS AG*, 342 F. Supp. 2d 132, 141 (E.D.N.Y. 2004)). This conclusion is incorrect, and the issue is likely soon to be definitively resolved by the U.S. Supreme Court, which is considering a pending case presenting this issue.

As an initial matter, this Court has already indicated that an organizational defendant can be sued under the TVPA in *Khulumani v. Barclay Nat'l Bank. Ltd.*, 504 F.3d 254 (2d Cir. 2007). In *Khulumani*, the plaintiffs asserted aiding and abetting claims under the TVPA against a bank for its participation in the torture and extrajudicial killings committed by the South African apartheid regime. *Id.* at 259. This Court dismissed the TVPA claims on the ground that the plaintiffs failed to allege that the bank had acted under color of law, but it did not question whether the bank was a proper defendant under the TVPA in the first place. *Id.* at 260. Based on *Khulumani*, the district court later held that a "corporation or other entity may ... be subject to liability under the TVPA for aiding and ***137** abetting" a principal violator. SPA210 (*Terrorist Attacks IV*); *accord* SPA234 (*Terrorist Attacks V*).

More importantly, the Supreme Court recently granted certiorari in *Mohamad v. Rajoub*, 132 S. Ct. 454 (2011), which will resolve a circuit split over whether the TVPA permits actions against non-natural persons. *Compare Sinaltrainal v.*

Coca-Cola Co., 578 F.3d 1252, 1258 n.5 (11th Cir. 2009) (allowing TVPA action against corporate defendant), *and Khulumani*, 504 F.3d at 260, *with Mohamad v. Rajoub*, 634 F.3d 604, 607-08 (D.C. Cir. 2011) (holding that TVPA liability does not extend to non-natural persons), *and Aziz v. Alcolac, Inc.*, 658 F.3d 388, 392 (4th Cir. 2011) (same), *and Bowoto v. Chevron Corp.*, 621 F.3d 1116, 1126-27 (9th Cir. 2010) (same). In the interest of judicial economy, plaintiffs respectfully request that this Court defer deciding their appeal of the dismissal of their TVPA claims until the Supreme Court has decided *Mohamad* and the Court can obtain the benefit thereafter of the parties' views of the implications of that decision for this case.

Alternatively, should *Mohamad* not result in an opinion or if this Court is inclined to reach a decision on the TVPA claims independently of *Mohamad*, it should vacate the district court's dismissals. The TVPA ***138** creates an action in tort and, therefore, should be interpreted in light of the well-established common law (and international law) presumption that organizations are liable in tort for the acts of their agents. *See Balt. & Potomac R.R. v. Fifth Baptist Church*, 108 U.S. 317, 330 (1883); Br. for Petitioners at 12-17, *Mohamad v. Palestinian Authority*, No. 11-88 (Sup. Ct. Dec. 14, 2011) ("*Mohamad* Br."). Moreover, the TVPA's use of the term "individual" comports with this presumption because this term has often been construed as synonymous with the term "person," which has a broad legal meaning that includes organizational entities, such as corporations. *See, e.g., Clinton v. City of New York*, 524 U.S. 417, 428 & n.13 (1998); *Mohamad* Br. at 19-20 (citing cases from federals courts of appeals); *see also id.* at 17-18 (noting that dictionary definitions of the word "individual" often include non-natural entities).

Furthermore, such a broad interpretation is consistent with the structure of the TVPA, which incorporates agency principles by imposing liability on individuals who "subject[]" a victim to torture or extrajudicial killing. *Id.* at 25-26. This construction also is consistent with the fact that organizational liability exists under other federal statutes that provide civil remedies to victims of torture and extrajudicial killing. *See, e.g.*, ***139** *Brentwood Acad. v. Term. Secondary Sch. Athletic Ass'n*, 531 U.S. 288 (2001) (permitting a section 1983 suit against an association); *Ungar v. Palestine Liberation Org.*, 402 F.3d 274, 276 (1st Cir. 2005) (affirming ATA judgment against terrorist organizations); *Murphy v. Islamic Republic of Iran*, 740 F. Supp. 2d 51, 72 (D.D.C. 2010) (finding terrorist organization liable under 28 U.S.C. § 1605A(c)); *see also Mohamad Br.* at 30-34. Finally, the legislative history of the TVPA reveals that Congress's use of the term "individual" in the TVPA was only to "make crystal clear that foreign states or their entities cannot be sued ...." S. Rep. No. 102-249, at 6 (1991), and that Congress repeatedly assumed that organizations would be proper defendants in TVPA lawsuits. *Mohamad* Br. at 43-49. For these and other reasons elaborated in the briefs before the Supreme Court in *Mohamad*, Congress clearly intended the TVPA to provide a remedy against a broader set of defendants that includes entities other than natural persons.

IV. The District Court Improperly Dismissed the Negligence And Intentional Tort Claims

Plaintiffs pleaded a number of state law tort claims against defendants subject to this appeal, including negligence, negligent infliction of emotional distress ("NIED"), intentional infliction of emotional distress ("LIED"), assault and battery, trespass, and recovery under New York's ***140** wrongful death and survival statutes. The district court wrongly dismissed claims against defendants under each of these theories of tort liability.

A. The District Court Wrongly Dismissed the Negligence Claims

The district court dismissed plaintiffs' claims for negligence and NIED based on its conclusion that the plaintiffs failed to "allege or identify a duty owed to Plaintiffs" by the defendants. SPA55 (*Terrorist Attacks I*); *cf.* SPA232 n.6 (*Terrorist Attacks V*); SPA88 (*Terrorist Attacks II*). The court was simply wrong about this: plaintiffs expressly alleged a duty owed and violated by the defendants. *See* R.3916 ("By virtue of their participation in the conspiracy to commit acts of international terrorism against the United States, its nationals and allies, including the September 11th Attack, *the defendants negligently, intentionally, recklessly, willfully and wantonly breached duties of care owed to plaintiffs* and the employees of plaintiffs' insureds.") (emphasis added).

Because the district court overlooked the plain language of the pleadings, it did not conduct an analysis of whether defendants did, in fact, owe plaintiffs a duty of care. Had it done so, it would have found the duty to be manifest. In New

York, courts determine the "threshold question" of whether a duty of care exists "by balancing factors, including [1] the ***141** reasonable expectations of parties and society generally, [2] the proliferation of claims, [3] the likelihood of unlimited or insurer-like liability, [4] disproportionate risk and reparation allocation, and [5] public policies affecting the expansion or limitation of new channels of liability." *Hamilton v. Beretta U.S.A. Corp.*, 96 N.Y.2d 222, 232 (2001), opinion after certified question answered, 264 F.3d 21 (2d Cir. 2001) (internal quotation marks and citation omitted). A defendant may have a duty of care with respect to a third-party's actions "where there is a relationship either between defendant and a third-person tortfeasor that encompasses defendant's actual control of the third person's actions, or between defendant and plaintiff that requires defendant to protect plaintiff from the conduct of others." *Id*. at 233. For example, New York recognizes the doctrine of negligent entrustment, whereby

> One who supplies directly or through a third person a chattel for the use of another whom the supplier knows or has reason to know to be likely because of his youth, inexperience, or otherwise, to use it in a manner involving unreasonable risk of physical harm to himself and others whom the supplier should expect to share in or be endangered by its use, is subject to liability for physical harm resulting to them.

Restatement (Second) of Torts (1965), § 390. *See Splawnik v. DiCaprio*, 540 N.Y.S.2d 615, 616-17 (N.Y. App. Div. 1989) (citing the negligent ***142** entrustment doctrine and holding defendant liable for leaving gun with suicide victim because "the supplier owes a duty to foreseeable parties to withhold the chattel from the entrustee").

Here, where defendants are alleged to have known -- or at least been on notice of facts supporting a conclusion regarding -- the terrorist nature of the al-Qaeda network they supported, the factors weigh overwhelmingly in support of a duty of care. As the Seventh Circuit has concluded, lending material support to a terrorist organization, even *without* knowledge of its activities, satisfies the elements of negligence. *Boim III*, 549 F.3d at 693. *A fortiori*, providing support while *knowing* the character of the terrorist organization is like giving "a gun you know is loaded to a child .... [D]oing so is reckless and if the child shoots someone" the defendant "will be liable to the victim" even under the higher standard for recklessness. *Id.*

Analogously, in *Sickles v. Montgomery Ward & Co.*, a department store was held liable for negligence when an employee sold an air rifle to a father, knowing that it was intended as a gift to his son, and the son later shot the eye of another child. 167 N.Y.S.2d 977 (N.Y. Sup. Ct. 1957). The court found that the store clerk "should have known" it to be irresponsible ***143** to sell the rifle, not only because of the "known propensities of young children in whose possession firearms are placed," but also because the sale "was specifically proscribed by the Penal Law" and violated the "legislative policy of the State." *Id*. at 979. Nor did the fact that the defendant sold the rifle to the father, rather than the boy directly, changes the analysis. *Id*. ("The naked legality of the sale to the parent, also *in pari delicto*, does not operate to relieve the defendant from liability.") (emphasis added).

Here, plaintiffs allege that defendants gave material support to persons and organizations they had every reason to suspect were terrorists, and did so either directly or through front institutions -- in clear violation of the United States' policies against such actions. *See* Companion Brief at Point LA. The "reasonable expectations of parties and society generally" and "public policies affecting the expansion" of liability therefore weigh heavily in favor of recognizing a duty of care. *Hamilton*, 96 N.Y.2d at 232. Moreover, recognizing a duty would not give rise to a "likelihood of unlimited or insurer-like liability" or a "proliferation of claims" because the class of potential claimants is restricted to those injured by terrorist attacks and "does not extend beyond that limited class of plaintiffs to members of ***144** the community at large." *Id*. at 232-33. Finally, imposing a duty of care on those who provide material support to terrorists makes sense as a matter of "risk and reparation allocation," *id*. at 232, because "[d]amages are a less effective remedy against terrorists and their organizations than against their financial angels." *Boim III*, 549 F.3d at 690.

As for plaintiffs' NIED claims, the district court itself recognized that under New York law, NIED may be established under the "bystander theory," whereby a defendant is negligent for conduct that is "a substantial factor in bringing about injuries to the plaintiff in consequence of shock or fright resulting from his or her contemporaneous observation of serious physical injury or death inflicted by the defendant's conduct on a member of the plaintiff's immediate family in his or her presence." *Bovsun v. Sanperi*, 61 N.Y.2d 219, 223-24 (1984); *see* SPA54 (*Terrorist Attacks I*). A plaintiff need not have been physically present at the time of death or injury to recover under NIED. *Bovsun*, 61 N.Y.2d at 233. Here, plaintiffs -- many of them the surviving family members of **9**/**11** victims -- allege that the defendants' knowing material support of al-Qaeda was instrumental in allowing the organization to develop and perpetrate the **9**/**11** attacks, *e.g.*, JA3779-80, and fit easily under the bystander theory.

***145** Given the express allegation of a duty of care in plaintiffs' pleadings, the clear existence of defendants' duty under traditional tort principles, and the deferential standard afforded to the complaint at the motion to dismiss stage, *Matson*, 631 F.3d at 72, the Court should vacate the dismissal of plaintiffs' negligence and NIED claims.

B. The District Court Wrongly Dismissed the Intentional Tort Claims

The district court dismissed plaintiffs' intentional tort claims for assault, battery, and IIED for a number of equally misguided reasons.

1. Plaintiffs' Claims Are Not Time-Barred.

The court first held that all of the *Federal Ins*. plaintiffs' claims are barred because they were filed outside of New York's one-year limitations period that applies to these intentional torts. SPA232 n.6 (*Terrorist Attacks V*); SPA210 (*Terrorist Attacks IV*); SPA101-02 (*DMI-Kamel*); SPA87-88 (*Terrorist Attacks II*); SPA53 (*Terrorist Attacks I*) (citing *Holmes v. Lorch*, 329 F. Supp. 2d 516, 523 (S.D.N.Y. 2004)); N.Y. C.P.L.R. 215(3) (McKinney 2002)).

The court failed to recognize, however, that certain of the *Federal* plaintiffs' claims arise from injuries suffered in Pennsylvania and Virginia. Applying New York choice-of-law principles, the district court should have ***146** found the Virginia and Pennsylvania-based claims timely under those States' two-year statutes of limitations. *Fin. One Pub. Co. v. Lehman Bros. Special Fin., Inc.*, 414 F.3d 325, 331 (2d Cir. 2005) (where "jurisdiction is grounded in diversity, we apply the forum state's choice-of-law rules"); *Neumeier v. Kuehner*, 286 N.E.2d 454, 457-58 (N.Y. 1972) (where the plaintiff and defendant are domiciled in different states, New York courts generally apply the law of the state where the injury occurred.); Va. Code § 8.01-243(A) (two-year default statute of limitations for personal injury claims); *Luddeke v. Amana Refrigeration, Inc.*, 387 S.E.2d 502, 504 (Va. 1990) (under Virginia law, both intentional infliction of emotional distress and assault and battery claims are subject to a two-year statute of limitations.); 42 Pa. Consol. Stat. §§ 5524(1) (two-year statute of limitations for assault and battery actions) & 5524(7) (two-year default statute of limitations for personal injury actions); *Bougher v. Univ. of Pittsburgh*, 882 F.2d 74 (3d Cir. 1989) (applying two year statute of limitations to a claim for intentional infliction of emotional distress); SPA53-54 (*Terrorist Attacks I*) (recognizing that the *Federal* plaintiffs filed their complaint less than two years after the **9**/**11** attacks).

***147** For those claims that are subject to New York's statute of limitations, the district court should have applied equitable tolling principles. All of plaintiffs' claims arise from the defendants' participation in the conspiracy to conduct terrorist attacks against the United States, which was designed to hide the identity of the participants from disclosure to the outside world. As a result, the statute of limitations was tolled until the plaintiffs reasonably should have become aware of the defendants' involvement in the conspiracy, itself a question of fact to be determined through discovery. *Yeadon v. New York Transit Auth.*, 719 F. Supp. 204, 209 (S.D.N.Y. 1989) (If "a defendant has concealed facts that are critical to a cause of action, then the statute of limitations is tolled until plaintiff discovers or with reasonable diligence should have discovered his claim"); *In re Issuer Plaintiff Initial Pub. Offering Antitrust Litig.*, 00 CIV 7804 (LMM), 2004 WL 487222, at *5 (S.D.N.Y. Mar. 12, 2004). Given the clandestine nature of the conspiracy in which the defendants participated, equitable principles require that the statute of limitations be tolled. *See Johnson v. Nyack Hosp.*, 86 F.3d 8, 12 (2d Cir. 1996) (holding that "[e]quitable tolling allows courts to extend the statute of limitations beyond the time of expiration as necessary to avoid inequitable circumstances").

***148** *1. Plaintiffs Pleaded That Defendants Materially Supported al-Qaeda.*

The district court also dismissed many other *non-Federal* plaintiffs' intentional tort claims for assault and battery, trespass, and wrongful death and survival on the ground that plaintiffs failed to allege that the defendants had "supported, aided and abetted, or conspired with the September 11 terrorists" in a manner that warranted liability. SPA101-02 (*SAMBA I*); SPA87-88 (*Terrorist Attacks II*); SPA53-54 (*Terrorist Attacks I*). The court dismissed corresponding wrongful death and survival claims, as well as the *Federal Ins*. plaintiffs' trespass claims, on the same grounds. SPA231-32, 252-53 & n.12 (*Terrorist Attacks V*); SPA101-02 (*SAMBA I*); SPA88, 98 (*Terrorist Attacks II*); SPA53-54, 61-62 (*Terrorist Attacks I*).

As the court recognized, however, because the ATA incorporates state tort law causes of action, liability under the plaintiffs' intentional tort claims, wrongful death and survival claims, and trespass claims is necessarily coextensive with liability under the ATA. SPA88 (*Terrorist Attacks II*) ("If Plaintiffs state a claim for relief under the ATA, they will have also stated a claim for wrongful death and survival, the *Federal* Plaintiffs will have stated a claim for trespass, and the *Aston* and *Burnett* Plaintiffs will have stated claims for intentional infliction of emotional ***149** distress."). Because the complaints state claims under the ATA for knowingly providing material support to al-Qaeda, *see supra* Point LA & LB, the district court's dismissal of plaintiffs' intentional tort claims -- like its dismissal of the ATA claims -- should be vacated.

2. Defendants Who Supported al-Qaeda Through Its Network Are Liable.

Finally, in its most recent opinion, the district court held that the intentional tort claims against some defendants (precisely which ones, the court does not say) fail because plaintiffs "broaden the scope of liability to include those who allegedly aided, abetted, conspired and/or provided material support to other terrorist organizations that were affiliated with al Qaeda." SPA231-32 (*Terrorist Attacks V*). The court appears to have concluded that because plaintiffs alleged that some defendants supported front charities and institutions in the larger al-Qaeda network that funnel money to the organization, rather than, say, wrote a check directly payable to "al Qaeda," plaintiffs therefore have not alleged that defendants supported al-Qaeda at all.

To the extent that this is what the court meant, then Judge Daniels -- who took over the MDL litigation after Judge Casey passed away -- advances a line of reasoning never endorsed by his predecessor. Indeed, ***150** this line of reasoning would be contrary to the court's own prior statements of law, if not its applications thereof. *Cf.* SPA24 (*Terrorist Attacks I*) ("The Court is not ruling as a matter of law that a defendant cannot be liable for contributions to organizations that are not themselves designated terrorists. But [the defendant must have] kn[own] the receiving organization to be a solicitor, collector, supporter, front or launderer for such an entity.").

More problematic than inconsistency, however, is the fact that the court's rationale is incorrect. Support for a terrorist organization can be just as intentional if provided directly to the organization as if provided through an intermediary or agent certain to pass the funds to the terrorists. For this reason, courts have repeatedly recognized that material supporters of terrorism may be found liable "even where support wasn't provided directly" to the attackers, but rather through "support to an alias or agent." *Goldberg*, 660 F. Supp. 2d at 432; *cf. Nat'l Council of Resistance of Iran*, 373 F.3d at 157-58 ("Just as it is silly to suppose" that State Department designations of terrorist organizations did not survive organizational name changes, "so too it is implausible to think that Congress" did not "authorize the Secretary to prevent" terrorist organizations "from marshaling all the same support via juridically separate agents subject to its ***151** control."). And, such a rule would have provide a ready path for terrorist organizations to shield their financiers from liability -- simply by placing having the financier contribute to a cooperative intermediary. *See* Companion Brief at Point I.A.3 (describing implications of excluding from liability indirectly provided support for terrorism); *see Boim III*, 549 F.3d at 690-91 (shielding a financier from liability would exclude from the operation of the law precisely those parties most likely be deterred by the prospect of liability).

Plaintiffs have consistently alleged in their pleadings that al-Qaeda operates through an integrated network of institutions and individuals. *E.g.*, R.3779-80. The district court, for its part, cited no authority in support of its "al Qaeda-only" principle, which departs from both precedent and common sense. The dismissals of plaintiffs' tort claims predicated upon it should be vacated.

V. The Court Should Reverse The Dismissals Of NCB and the Sovereign Defendants Based Upon *Doe v. Bin Laden*

The Court should reverse the dismissals of three defendants -- the Saudi Joint Relief Committee and Saudi Red Crescent Society (collectively, "Sovereign Defendants") and National Commercial Bank ("NCB") -- and remand for jurisdictional discovery on the basis of this Court's recent ***152** holding in *Doe v. Bin Laden*, which abrogated the basis upon which the district court dismissed the Sovereign Defendants and NCB. Plaintiffs previously raised this argument in their separate Motion to Summarily Vacate and Remand these three defendants. *See* Dkt. 243. In addition to the following, plaintiffs hereby incorporate by reference the arguments in their pending Motion.

A. *The Sovereign Defendants And NCB Were Dismissed Under Terrorist Attacks III.*

In *Terrorist Attacks III*, this Court held that the Foreign Sovereign Immunities Act's ("FSIA") torts exception, 28 U.S.C. § 1605(a)(5), did not provide subject-matter jurisdiction over sovereign entities engaging in terrorism, as defined under the FSIA's terrorism exception, 28 U.S.C. § 1605A, but who nevertheless could not be sued under the terrorism exception because they were not designated as state sponsors of terrorism. *See* 538 F.3d 71, 75. In such cases, where the terrorism exception to sovereign immunity was unavailable, the Court reasoned, the FSIA's torts exception could not provide an independent basis of jurisdiction because claims within the scope of the terrorism exception could not be "shoehorn[ed]" into the torts exception. *Id.* at 89.

***153** Following *Terrorist Attacks III*, plaintiffs conceded before the district court that, to the extent that *Terrorist Attacks III* were applied, the decision supported dismissal of the Sovereign Defendants because they were also sovereign entities and plaintiffs had predicated subject matter jurisdiction upon the FSIA torts exception. *See* R.2148-2, at 23-24; SPA159-60 & n.4. However, plaintiffs expressly reserved the right to argue on appeal that the Second Circuit panel had misstated governing legal standards and that dismissals predicated upon *Terrorist Attacks III* should be reversed. R.2148-2, at 23-24.

NCB also was dismissed under *Terrorist Attacks III*'s holding on the scope of the FSIA torts exception in § 1605(a)(5). SPA197-98 & n.12. The district court rejected plaintiffs' argument that a lack of personal jurisdiction could not be the basis of dismissal because NCB was a sovereign. *Id.* at n.12; *see Frontera Res. Azer. Corp. v. State Oil Co. of the Azer. Rep.*, 582 F.3d 393, 398-401 (2d Cir. 2009) (foreign states and their agents are not "persons" under the Due Process Clause, and thus not entitled to due process safeguards such as minimum-contacts personal jurisdictional analysis). Following *Terrorist Attacks III*, the court reasoned that "a potential finding as to NCB's sovereign status would simply result ***154** in NCB being immune from suit by virtue of the FSIA," because the neither the torts exception (because the conduct alleged was terrorism) nor the terrorism exception (because NCB was not a designated sponsor of terrorism) would provide subject matter jurisdiction. SPA198 n.12.

B. *Doe* Overruled *Terrorist Attacks III*

While the appeals against the Sovereign Defendants and NCB have been pending, this Court has overruled *Terrorist Attacks III's* holding on the scope of the FSIA torts exception, *i.e.*, the basis for the dismissals of the Sovereign Defendants and NCB. *Doe*, 663 F.3d at 70-71. In *Doe*, this Court recognized that the "terrorism exception, rather than limiting the jurisdiction conferred by the noncommercial tort exception, provides an *additional* basis for jurisdiction." *Id.* at 70. Therefore, the Court concluded, "the noncommercial tort exception can be a basis for a suit arising from the terrorist acts of September 11, 2001." *Id.* at 66. The Court announced that *Terrorist Attacks III* had been overruled in this respect pursuant to this Circuit's mini-en *banc* procedure. *Id.* at 70 n.10. *Doe*, therefore, is now the law of this Circuit.

*155 C. The Court Should Reverse the Dismissals of the Sovereign Defendants and NCB and Remand For Jurisdictional Discovery

Because this Court has overruled the basis of the dismissals of the Sovereign Defendants and NCB, reversal and remand is appropriate relief. *See id.* at 71; *also see Carter v. Barry*, 468 F.2d 821 (2d Cir. 1972) (per curiam) (granting motion to summarily reverse or give expedited consideration to district court's order of dismissal). As a general rule " 'an appellate court must apply the law in effect at the time it renders its decision.' " *Ahern v. Cnty. of Nassau*, 118 F.3d 118, 121 (2d Cir.

1997) (quoting *Thorpe v. Housing Auth.*, 393 U.S. 268, 281 (1969)). Here, that law has been established by *Doe*, an intervening decision, and *Doe's* application to the Sovereign Defendants and NCB is straightforward. *Cf. Rivera v. Heyman*, 157 F.3d 101, 102 (2d Cir. 1998) (vacating the district court's dismissal of a claim because of "a change in the law during the pendency of th[e] appeal").

Jurisdictional discovery is necessary for both the Sovereign Defendants and NCB. Plaintiffs have raised allegations against the Sovereign Defendants that are substantively identical to the ones raised in ***156** *Doe*, which the Court found required jurisdictional discovery.[116] *Cf. Doe*, 663 F.3d at 65, 71. Likewise, the district court previously noted the need for further jurisdictional discovery to resolve NCB's status as a sovereign instrumentality in the first instance. *See* SPA12 (*Terrorist Attacks I*) ("NCB submits that it is an instrumentality of the Kingdom of Saudi Arabia"). *Doe* makes plain that the proper course of action in such situations is to reverse and remand for such discovery. *Doe*, 663 F.3d at 65.

Conclusion

For the foregoing reasons and those provided in plaintiffs' brief addressing personal jurisdiction, the Court should reverse the district court's dismissal of certain defendants from these proceedings, reinstate the claims dismissed against them, and remand for further proceedings consistent with those determinations.

Footnotes

[1] The court dismissed approximately 20 defendants pursuant to Rule 12(b)(6), only five of which are the subject of this appeal. The district court also granted motions to dismiss under Rule 12(b)(2) filed by approximately 60 defendants, of which 36 are appellees herein, and further granted motions to dismiss under Rule 12(b)(1) with respect to nine defendants who claimed sovereign immunity under the Foreign Sovereign Immunities Act ("FSIA"), three of which are appellees herein. The dismissals under Rule 12(b)(2) are addressed in Appellants' Consolidated Brief with Respect to Personal Jurisdiction ("Companion Brief") filed concurrently with this brief. This brief addresses only the dismissals under Rule 12(b)(6) and Rule 12(b)(1).

[2] A previous Rule 54(b) partial final judgment was entered with respect to certain of the defendants dismissed in *Terrorist Attacks I* and *Terrorist Attacks II*. This Court's decision affirming those dismissals is reported at 538 F.3d 71 (2d Cir. 2008) ("*Terrorist Attacks III*").

[3] There is no universally accepted way to transliterate Arabic names into English. The spellings used by plaintiffs are derived from common usage in source materials, the press, or government documents. Where quoting from a document, pleading, or decision, plaintiffs have used the spelling in the original.

[4] Citations in the form "JA#" are to pages in the Joint Appendix. Citations in the form "SPA#" are to pages in the Special Appendix. Citations in the form "R.#" are to the docket number of documents in the record on appeal. Unless otherwise

[5] JA1360-74, 1697-1750, 1918-25, 2119-2208, 2349-65, 2428-2547, 2559-2674, 2715-85, 2812-2954, 3085-3201, 3234-3494, 3965-4645, 4725-5369, 5471-5530, 5955-6103, 6123-6340.

[6] The actual withdrawal has not been filed.

[7] JA3602-04, 3776-78, 7863-64.

[8] Final Report of the National Commission on Terrorist Attacks Upon the United States ("**9**/**11** Commission Final Report"), available at http:// www.911commission.gov/report/911Report.pdf, p. 55; JA7864; R.1015, Ex. 2 (CIA Fact Sheet, *Usama Bin Laden -- Islamic Extremist Fundraiser*).

[9] JA3602-07, 3776, 7864.

[10] JA3777, 7864-65, 4186-91; R.1257, Ex. 4, pp. 17-18 (United States Government's Evidentiary Proffer Supporting the Admissibility of Co-Conspirator Statements, *United States v. Enaam Arnaout*, 02-cr-892, (N.D. Il.) (incorporated by reference into the *Federal* FAC at ¶ 88 [JA3782] (hereinafter referred to as "Arnaout Evidentiary Proffer"); R.963, Ex. 1, pp. 4-5, 7-8, 10-11 (1996 CIA Report); R.209, Exs. 1 and 2 (June 2004 Press Releases issued by the U.S. Department of the Treasury regarding the

designations of Aqeel Al Aqeel and Al Haramain Islamic Foundation); R.977, Ex. E, p. 4 (August 2002 FBI Report -- Interview with former Al Qaeda member Jamal Al Fadl); R.277, Ex. 6, p. 5 (November 29, 2001 letter from U.S. Department of the Treasury to Swiss officials regarding Muwafaq Foundation).

[11] JA3777, 4186-91, 7865.

[12] JA3777-78, 4186, 7865.

[13] 9/11 Commission Final Report, p. 56; JA7865.

[14] 9/11 Commission Final Report, p. 59; R.2059 (Order by Judge George B. Daniels holding that "1992 is the year prior to the 1993 attacks against the United States, and the year when it is alleged that Osama bin Laden and other senior al Qaeda leadership issued a formal fatwah, specifically calling for jihad against the United States and other Western allies.").

[15] JA3630-31.

[16] JA3602-03, 3629-30, 3655-56, 3778-80, 3848-49.

[17] JA3778-79.

[18] JA3650-52, 3656-66, 3788-98, 3807-09, 3982-86, 4052-54, 4129-30, 4210-14, 4427-30, 4538-41, 7867-71, 7882-94; R.1257, Exs. 3, pp. 15-17 (Second Report of the United Nations Monitoring Group on Al Qaida) and Ex. 4, pp. 28-32 (Arnaout Evidentiary Proffer).

[19] JA3673-90, 3693-3707, 3779, 3801-05, 3810, 3818, 3830, 3842, 3982, 4073-74, 4166-68, 4187-89, 4200-01, 4292, 4430, 4451-54, 4478-82, 4535, 4501-04, 4537-38, 6188-96, 7867-71, 7879-94; R.963, Ex. 1, pp. 4-5, 10-11 (1996 CIA Report); R.1257, Ex. 3, pp. 16-17 (Second Report of the United Nations Monitoring Group on Al Qaida); R.209, Ex. 2 (June 2004 Press Release issued by the U.S. Department of the Treasury regarding the designations of Aqeel Al Aqeel and Al Haramain Islamic Foundation); R.277, Ex. 6 (November 29, 2001 letter from U.S. Department of the Treasury to Swiss officials regarding Muwafaq Foundation); R.1031, Ex. 8, pp. 14-15 (INTERPOL Task Force Report, *Financing of Terrorism and Charities, July 2003*).

[20] JA3602-3728, 3778-3821.

[21] JA3778-3821, 4139-40.

[22] JA3646-47, 3656-66, 3693-3707, 3714, 3717-22, 3802, 3812, 3818, 3862-68, 3982-86, 4166-68, 4210-14, 4451-54, 4478-82, 4496-4504, 6175-99, 7867-71, 7882-94; R.1257, Ex. 3, pp. 16-17 (Second Report of the United Nations Monitoring Group on Al Qaida); R.209, Ex. 1 and 2 (June 2004 Press Releases issued by the U.S. Department of the Treasury regarding the designations of Aqeel Al Aqeel and Al Haramain Islamic Foundation); R.1039, Ex. 4, p. 1 (September 9, 2004 Press Release from the U.S. Department of the Treasury regarding the designations of Soliman Al Buthe and the U.S. branch of Al Haramain Islamic Foundation); R.277, Ex. 6, (November 29, 2001 letter from U.S. Department of the Treasury to Swiss officials regarding Yassin al Kadi and Muwafaq Foundation).

[23] JA3982-86, 4120-4214, 4166-68, 4451-54, 4478-82, 4496-4504, 6175-99.

[24] JA3778-3821.

[25] JA3983-84, 4211-12.

[26] JA3792, 3795-96, 3803-04, 3809.

[27] JA4188-89, 4200-01, 4535; R.1257, Ex. 3, p. 17 (Second Report of the United Nations Monitoring Group on Al Qaida); R.1031, Ex. 8, p. 15 (INTERPOL Task Force Report, *Financing of Terrorism and Charities, July 2003*).

[28] JA3790-91, 4130, 6177-79; R.1257, Ex. 4, p. 18 (Arnaout Evidentiary Proffer).

[29] JA3810, 4188-89, 4200-01, 6180.

[30] JA3790-91, 4130, 6177-81; R.1257, Ex. 3, p. 17 (Second Report of the United Nations Monitoring Group on Al Qaida); R.977, Ex. H (September 2002 Press Release from the U.S. Department of the Treasury regarding the designation of Wa'el Hamza Jelaidan).

[31] JA3791-92; R.277, Ex. 3 (Arnaout Evidentiary Proffer, Exhibit of the U.S. Government -- correspondence on MWL and IIRO letterhead discussing a meeting with Naseef and the agreement to launch attacks from MWL offices).

[32] JA3791-92.

[33] JA868-69, 2063, 3658-59, 3790-91, 4212, 4130, 6179.

[34] JA878, 1842-43, 3705, 5686.

[35] JA3790-91, 4212, 4130.

[36] JA3791-92; R.277, Ex. 3, p. 3 (Arnaout Evidentiary Proffer, Exhibit of the U.S. Government).

[37] JA3795; R.1257, Ex. 3, pp. 16 and 18 (Second Report of the United Nations Monitoring Group on Al Qaida); R.219, Ex. 1, pp. 3-8, 14 (U.S. Government's Response Brief in Support of Decision of the Immigration Judge Denying Respondent Bail, *In the Matter of Mohammad J. A. Khalifa Respondent, In Bond* Proceedings, Case No. A29-457-661 -- stating that Khalifa, a known international terrorist, "has been providing support to terrorist groups which have undertaken bombings of civilian targets in [the Philippines], including theaters, and have kidnapped American citizens.").

[38] JA3660-61, 3714-15, 3795, 4052-53, 4538-39; R.963, Ex. 1, p. 8 (1996 CIA Report).

[39] R.1762, Ex. 10, pp. 4-5 (Substitution for the Testimony of Khalid Sheikh Mohammed, *U.S. v. Moussaoui*).

[40] JA3764, 4539; R.1257, Ex. 3, p. 18 (Second Report of the United Nations Monitoring Group on Al Qaida).

[41] JA3794; R.963, Ex. 1, pp. 7-8 (1996 CIA Report).

[42] JA1776-77.

[43] R.209, Ex. 1, p. 1 (June 2004 Press Release issued by the U.S. Department of the Treasury regarding the designations of Aqeel Al Aqeel and Al Haramain Islamic Foundation).

[44] JA2442-43; R.209, Ex. 2, p. 3 (June 2004 Press Release issued by the U.S. Department of the Treasury regarding the designations of Aqeel Al Aqeel and Al Haramain Islamic Foundation).

[45] R.1039, Ex. 4 (September 9, 2004 Press Release from the U.S. Department of the Treasury regarding the designations of Soliman Al Buthe and the U.S. branch of Al Haramain Islamic Foundation).

[46] JA2445-46.

[47] R.1038, p. 19.

[48] JA3813, 4451, 4502-04, 4478-81, 6189-90, 7867-71; R.277, Ex. 6, pp. 4-5 (November 29, 2001 letter from U.S. Department of the Treasury to Swiss officials regarding Yassin al Kadi and Muwafaq Foundation) and Ex. 7 (German Intelligence Report, Investigation of Yassin Qadi and Muwafaq).

[49] JA4480-81, 4503, 7869-71; R.277, Exs. 6, p. 5 (November 29, 2001 letter from U.S. Department of the Treasury to Swiss officials regarding Yassin al Kadi and Muwafaq Foundation) and Ex. 7 (German Intelligence Report, Investigation of Yassin Qadi and Muwafaq).

[50] JA6189.

[51] JA4502, 6189, 7868-70.

[52] JA3818, 4478, 6175; R.1257, Ex. 3, p. 16 (Second Report of the United Nations Monitoring Group on Al Qaida); R.1762, Ex. 5, p. 7 (October 22, 2003 Testimony of Former National Security Advisor Richard A. Clarke before the U.S. Senate Banking Committee).

[53] JA3778-3780, 3782-3783, 3785-3786, 3790-3792, 3794-3795, 3802, 3808-3809, 3810.

[54] JA3821-44, 4281-83, 4352-55, 4465-69, 5891-93, 6208-20, 7863-94.

[55] JA3882.

[56] Testimony of Lee S. Wolosky to the National Commission on Terrorist Attacks Upon the United States, April 1, 2003. *See also* Council on Foreign Relations, *Terrorist Financing*, Maurice R. Greenberg, William F. Wechsler, and Lee S. Wolosky, available at www.cfr.org/content/publications/.../ Terrorist_ Financing_TF.pdf.

[57] JA3606-16, 3708-10, 3715-28, 3827-31, 3835-38, 4281-83, 4292, 4329-43, 4352-55, 4465-69, 4478-82, 4496-4504, 5981-93, 6208-20.

[58] JA3606-16, 3835-38, 4329-42, 4352-55, 5981-93, 6208-20; R.1015, Exs. 2, pp. 1-2 (CIA Fact Sheet, *Usama Bin Laden -- Islamic Extremist Fundraiser*) and Ex. 3, p. 2 (March 24, 2004 Testimony of Former National Security Advisor Richard A. Clarke before the **9**/**11** Commission); R. 1257, Ex. 4 (Arnaout Evidentiary Proffer).

[59] *United States v. Bin Laden, et al*, 397 F. Supp. 2d 465, 515-516, 518 (S.D.N.Y. 2005).

[60] JA3606-16, 3837-38, 4334-35, 4354, 5983-84, 6212-14.

[61] JA3835, 4333-54, 5998, 6215-17.

[62] JA6209-10, 6237-38.

[63] JA3827-31, 3715-22, 4073-74, 4281-83, 4292, 4465-69, 4478-82, 4496-4504, 6188-94, 7863-94.

[64] JA3718-19, 4073, 4498, 4883, 6191.

[65] JA3830, 3718-22, 4292, 4073-74, 4498-99, 7882-85.

[66] JA3830, 4073-74, 4292, 4498, 7884-85

[67] JA3718, 3831, 4478, 4501, 6175-99, 7885-93.

[68] JA3716-17, 3827-28, 4281-83, 4466-71, R.1031, Ex. 8, p. 14 (INTERPOL Task Force Report, *Financing of Terrorism and Charities, July 2003*).

[69] JA4282-83.

[70] The other officials of Al Rajhi Bank who are defendant-appellees in this appeal are Abdullah al Rajhi, Saleh al Rajhi, and Sheik Saleh al-Hussayen. Together, these individuals and Suleiman al Rajhi are referred to as the “Al Rajhi Defendants.”

[71] JA3828, 4281-83, 4465-69.

[72] JA2569-70.

[73] JA3607, 3836-37, 4334, 4353, 5982-83, 6212; R.1015, Ex. 2, p. 2 (CIA Fact Sheet, *Usama Bin Laden -- Islamic Extremist Fundraiser*).

[74] JA3606-08, 3836, 4333-34, 5981, 6164, 6211.

[75] JA3609, 3780, 3838, 3868-69, 4513, 4530-31, 5982, 6212; R.1257, Ex. 4, pp. 16-17, 27 (Arnaout Evidentiary Proffer); R.1030, Ex. P, p. 19 (9/11 Commission Monograph on Terrorist Financing).

[76] JA3607, 4512-15, 4530, 5982, 6212; R.977, Ex. U (December 21, 2004 Press Release from the U.S. Department of the Treasury regarding the designation of Adel Abdul Jalil Batterjee).

[77] JA4332, 5988, 6216.

[78] JA3812, 3823; R.277, Ex. 5 (January 4, 2002 letter from the U.S. Department of the Treasury to Swiss officials regarding Yousef Nada); R.1031, Ex. 9 (August 29, 2002 Press Release from the U.S. Department of the Treasury regarding the designations of Yousef Nada-related entities); R.1762, Ex. 5, p. 10 (October 22, 2003 Testimony of Former National Security Advisor Richard A. Clarke before the U.S. Senate Banking Committee).

[79] JA3838-39, 4365, 6208-09, 6236.

[80] JA3724.

[81] The pleadings allege that al Rajhi Bank senior officers Saleh al Rajhi, Suleiman al Rajhi's brother and al Rajhi Bank's Chairman, Abdullah al Rajhi, the bank's General Manager, and Sheikh Saleh al Hussayen, a member of its Sharia Board, also participated directly and knowingly in al Rajhi Bank's sponsorship of al Qaeda. JA828, 3715-18, 4281-83, 4465-69. By virtue of their positions and the pervasive character of al Rajhi Bank's systematic sponsorship of al Qaeda, the allegations concerning their participation in al Rajhi bank's sponsorship of al Qaeda are well founded. *Id*.

[82] JA3866-68, 4465-69, 4496-4504; R.1031, Ex. 8, pp. 14-15 (INTERPOL Task Force Report, *Financing of Terrorism and Charities, July 2003*).

[83] JA3785-86, 3866-68, 4467, 4500-01, 4529, 6164-65; R.977, Ex. G (Exhibit to Arnaout Evidentiary Proffer -- the "Golden Chain"); R.1762, Ex. 5, p. 6 (October 22, 2003 Testimony of Former National Security Advisor Richard A. Clarke before the U.S. Senate Banking Committee).

[84] JA3785, 4467, 4500-01, 4529, 6164-65.

[85] JA3785-86, 4467, 4500-01, 4529, 6164-65; R.1257, Ex. 4, pp. 18-19 (Arnaout Evidentiary Proffer); R.1030, Ex. P, pp. 102-103 (9/11 Commission Monograph on Terrorist Financing); R.1762, Ex. 5, p. 6 (October 22, 2003 Testimony of Former National Security Advisor Richard A. Clarke before the U.S. Senate Banking Committee).

[86] JA4467, 4500-01, 4514-15, 4529, 6164-65; R.977, Ex. E, pp. 23-24 (August 2002 FBI Report -- Interview with former Al Qaeda member Jamal Al Fadl).

[87] R.1030, Ex. P, p. 94 (9/11 Commission Monograph on Terrorist Financing).

[88] R.1030, Ex. P, pp. 102-103 (9/11 Commission Monograph on Terrorist Financing).

[89] R.1030, Ex. R, pp. 2-3 (CRS Report for Congress, *Saudi Arabia, Terrorist Financing Issues*, December 8, 2004).

[90] JA3831, 3867-68, 4478, 4501, 6188-91, 7867.

[91] JA3827-28, 3866-67, 4465-66.

[92] 9/11 Commission Final Report, pp. 169-170.

[93] JA3785-86.

[94] JA3710-14, 3845, 3870-71, 4394-4402.

[95] 9/11 Commission Monograph on Terrorist Financing, available at www.9-11commission.gov/staff.../911_TerrFin_Monograph.pdf.

[96] JA4394-95, 5982-83, 6212-13.

[97] JA4394.

[98] JA3662, 3665, 3671, 3677-81, 4399-4401.

[99] JA4024-30.

[100] JA3785, 3870, 4318-19, 4529.

[101] JA3832-33, 4302-05, 4314-20, 4528-45.

[102] JA3870, 4528-45.

[103] JA3724-28, 3832-33, 4302-05, 4314-20.

[104] The district court dismissed the Burnett ATA claim against Al Rajhi Bank. SPA55-57 (*Terrorist Attacks I*). The district court also dismissed the remaining ATA claims against Al Rajhi Bank brought on behalf of the other plaintiff groups. SPA63, 65-66.

[105] SPA99-103 (*SAMBA I*); SPA57-58 (*Terrorist Attacks I*). The district court also denied plaintiffs' motions for leave to amend their pleadings, SPA103-04 (*SAMBA I*), and for reconsideration of the denial of their leave to amend, SPA111-15 (*SAMBA II*). *See infra* 82 n.113.

[106] SPA245 (*Terrorist Attacks V*).

[107] SPA246-47 (*Terrorist Attacks V*); SPA109-10 (DMI-Kamel); SPA59-60 (*Terrorist Attacks I*).

[108] SPA246-47 (*Terrorist Attacks V);* SPA109-10 (DMI-Kamel); SPA59-60 (*Terrorist Attacks I*).

[109] *See infra* pp. Point I.C (discussing treatment of support in mid-1990s).

[110] *See infra* pp. Point I.B (discussing district court's treatment of pleadings regarding defendants' mental state).

[111] SPA245-46 (*Terrorist Attacks V*); SPA106, 110 (*DM-Kamel*); SPA102-03 (*SAMBA I*); SPA55 (*Terrorist Attacks I*).

[112] A bank's provision of banking services constitutes material support of terrorism if the services were provided "knowing or intend[ing] that such provision would generally facilitate ... terrorist activities ..." *Wultz*, 755 F. Supp. 2d at 44-46; *see also Linde*, 384 F. Supp. 2d at 588 ("[G]iven plaintiffs' allegations regarding the knowing and intentional nature of the Bank's activities, there is nothing 'routine' about the services the Bank is alleged to provide"); *Weiss*, 453 F. Supp. 2d at 625 ("Where the Bank knows that the groups to which it provides services are engaged in terrorist activities even the provision of basic banking services may qualify as material support" (quotation marks and citation omitted)).

[113] Contrary to the district court's findings, SPA112-14 (*SAMBA II*), SPA103-04 (*SAMBA I*), the proposed amendments to plaintiffs' pleadings clearly did sufficiently allege, *inter alia*, that Saudi American Bank had the requisite mental state when it provided material support to Osama bin Laden and al Qaeda. R.1926, pp. 3-6, n.10. Accordingly, if this court finds that the pleadings do not state a claim for relief, this Court should remand this claim for the district court to revisit its denial of the motion for reconsideration of its denial of the motion for leave to amend.

[114] This report was published subsequent to the initial briefing below, and submitted in connection with plaintiffs' opposition to NCB's renewed motion to dismiss. However, the facts reflected in the report were of record from the outset, as reflected in plaintiffs" pleadings as to Al Rajhi Bank.

[115] The annex lists nine treaties, including the Convention for the Suppression of Unlawful Seizure of Aircraft, done at the Hague on 16 December 1970; the Convention for the Suppression of Unlawful Acts against the Safety of Civil Aviation, done at Montreal on 23 December 1971; and the International Convention for the Suppression of Terrorist Bombings, adopted by the General Assembly of the United Nations on 15 December 1997.

[116] *See* R.111-2, at 71-74. In the context of the previous appeal as to Saudi Arabia, this Court noted that plaintiffs' allegations concerning the terror sponsorship activities of the Saudi government charities "include a wealth of detail (conscientiously cited to

published and unpublished sources) that, if true, reflect close working arrangements between ostensible charities and terrorist networks, including al Qaeda." *Terrorist Attacks III*, 538 F.3d at 76.

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with author Michael Pollan on Joel Barlow (and colonial agriculture)

with economist Lawrence Summers on Oliver Wendell Holmes, (and technology and "one hoss shay" depreciation)

with Vice President Al Gore on Ralph Waldo Emerson ,and, with eco-critic Lawrence Buell (with footage taped on the Concord River as well as in Harvard's Houghton Rare Book Library)

with a dozen Harvard students and Boston area school teachers on Emily Dickinson's "skies" (shot at Emily Dickinson's home in Amherst Massachusetts) and with ED's original mss. at Harvard University

with Martin Espada and other New Yorkers (footage shot on the East River) on Walt Whitman and urban greenspace

with Director of the College Board (and writer of the Common Core Standards) , David Coleman on Robert Frost's "Birches" and with Frost biographer, Jay Parini at Robert Frost's Vermont home in the Green Mountains

with Peter Galison on Einstein and Modernism (taped in the Harvard Scientific Instruments collection in the Harvard Science Center) and with author Walter Isaacson on Einstein and Modernism (Fogg Museum)

with Ray Dalio on Marianne Moore(in Rajah Ampat with Conservation International); and with Jane Pickering, Head of the Harvard Natural History Museum, (filmed in the Harvard Museum of Natural History)

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1,000,000 for two television episodes (classroom ready) plus a full credit bearing course Middle and High School Teachers, materials to be tested in New York and Houston Schools by EdLabs

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From: Kathy Ruemmler [redacted]
Sent: 9/20/2014 2:37:36 AM
To: jeffrey E. [jeevacation@gmail.com]
Subject: Re: Fwd:

Importance: High

Did you read David Brooks today?

On Sep 19, 2014 9:58 PM, "Kathy Ruemmler" <[redacted]> wrote:

I will try.

On Sep 19, 2014 8:52 PM, "jeffrey E." <jeevacation@gmail.com> wrote:
try to get a good night sleep. see you sunday

On Fri, Sep 19, 2014 at 8:48 PM, Kathy Ruemmler <[redacted]> wrote:

Harder to say no for sure.

On Sep 19, 2014 8:46 PM, "jeffrey E." <jeevacation@gmail.com> wrote:
I assume that means harder to say no, ? easier to say yes. .

On Fri, Sep 19, 2014 at 8:38 PM, Kathy Ruemmler <[redacted]> wrote:

Both harder and easier. He was there.

On Sep 19, 2014 8:32 PM, "jeffrey E." <jeevacation@gmail.com> wrote:
decision :easier, harder, more complex?

On Fri, Sep 19, 2014 at 8:17 PM, Kathy Ruemmler <[redacted]> wrote:

I have so much more info to tell you on Sunday.

On Sep 19, 2014 8:16 PM, "jeffrey E." <jeevacation@gmail.com> wrote:
how much and who pays now?

On Fri, Sep 19, 2014 at 5:35 PM, Kathy Ruemmler <[redacted]> wrote:

I will. The rent on the apartment is significantly more than the monthly salary.

On Sep 19, 2014 5:34 PM, "jeffrey E." <jeevacation@gmail.com> wrote:
no need to. call eric and get a data point

On Fri, Sep 19, 2014 at 5:23 PM, Kathy Ruemmler <[redacted]> wrote:

I don't want to give up my apartment in NY.

On Sep 19, 2014 5:18 PM, "Kathy Ruemmler" <[redacted]> wrote:

Good advice.

On Sep 19, 2014 5:15 PM, "jeffrey E." <jeevacation@gmail.com> wrote:
lets see how you feel sunday

On Fri, Sep 19, 2014 at 5:12 PM, Kathy Ruemmler [redacted]> wrote:

I think I should do it.

On Sep 19, 2014 4:12 PM, "jeffrey E." <jeevacation@gmail.com> wrote:
free now

On Fri, Sep 19, 2014 at 3:46 PM, Kathy Ruemmler <[redacted]> wrote:

Correct. One time, maybe. Twice, no way.

On Sep 19, 2014 3:45 PM, "jeffrey E." <jeevacation@gmail.com> wrote:
of course not , he wouldnt have been so stupid.
---------- Forwarded message ----------
From: **Kathy Ruemmler** <[redacted]>
Date: Fri, Sep 19, 2014 at 3:44 PM
Subject: Re:
To: "jeffrey E." <jeevacation@gmail.com>

Gov is not jewish

On Sep 19, 2014 3:42 PM, "jeffrey E." <jeevacation@gmail.com> wrote:
reid or governor

On Fri, Sep 19, 2014 at 3:02 PM, Kathy Ruemmler <[redacted]> wrote:

Uh, yeah. We will now go through a period of self-reflection and despair.

On Sep 19, 2014 3:00 PM, "jeffrey E." <jeevacation@gmail.com> wrote:
double whoops

On Fri, Sep 19, 2014 at 2:59 PM, Kathy Ruemmler <[redacted]> wrote:

Yep. And now he is a repeat offender.

On Sep 19, 2014 2:58 PM, "jeffrey E." <jeevacation@gmail.com> wrote:
and thats after turning down misdeameors? whoops

On Fri, Sep 19, 2014 at 2:57 PM, Kathy Ruemmler <[redacted]> wrote:

Reid's guy went down on all 7 counts.

On Sep 19, 2014 8:01 AM, "Kathy Ruemmler" <[redacted]> wrote:

Yes, trains exist -- people ride them to get from one place to another.....germ factories, however. DC today, back in NY on Sunday morning.

On Sep 19, 2014 7:57 AM, "jeffrey E." <jeevacation@gmail.com> wrote:
train? yes , i will be like the emergency room doctor at lenox hill, put that crazy in room 1, gunshot in surgery, and the
"cook" welll -- he can wait

On Fri, Sep 19, 2014 at 7:54 AM, Kathy Ruemmler <[redacted]> wrote:

Doesn't look like you are prioritizing your schedule very effectively.....how are you going to manage all of that? this is unga week so the boss will be in town too.....I'll be here all week -- you may get sick of me....just sat down on the train so can't talk freely.

On Sep 19, 2014 7:48 AM, "jeffrey E." <jeevacation@gmail.com> wrote:
"girls?",, careful i will renew an old habit, . this week, thiel, summers,bill burns, gordon brown, jagland, (council of europe and nobel chairman). mongolia pres , hardeep puree (india), boris (gates). jabor (qatar). sultan (dubai,), kosslyn (harvard), leon black, woody. you are a welcome guest at any..... also if you think

there are interesting people in town, everyone here for climate summit , clinton ,security council, holy shit im on [redacted] for next 30 minutes

On Fri, Sep 19, 2014 at 7:15 AM, Kathy Ruemmler <[redacted]> wrote:

> Most girls do not have to worry about this crap.
>
> On Sep 19, 2014 7:09 AM, "jeffrey E." <jeevacation@gmail.com> wrote:
>
>> understood. it comes down to high risk / reward / low risk / reward. professional , emotional. and fiinancial
>>
>> On Fri, Sep 19, 2014 at 6:15 AM, Kathy Ruemmler <[redacted]> wrote:
>>
>>> Agreed, but I need to be prepared to say yes before I talk to him.
>>>
>>> Sent from my iPad
>>>
>>> On Sep 19, 2014, at 1:21 AM, "jeffrey E." <jeevacation@gmail.com> wrote:
>>>
>>> You need to talk to boss
>>>
>>> --
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From: Lisa New [redacted]
Sent: 9/23/2014 10:17:55 PM
To: Jeffrey Epstein [jeevacation@gmail.com]
Subject: Highlight

Importance: High

That was fun- definitely the highlight of a day that was not without other interesting moments

Don't know which was better-- the wholly unexpected surprise reminder (by a prime minister) of my boyfriend from 1976(who was in high school, who lived with his doting parents), or , getting creamed on my producer's budget but then offered the opportunity to profess poetry for production funds . There may be someone as good in New York, but i'll never tell you and you really have a heck of a seminar table there . When do we do Whitman's "Song of Myself" 1-15 Who else is reading with us? I'm ready .

A few other follow ups :

David and Brigid point out that reality tv doesn't cost anything because it is, as it sounds, very low budget . No writing , no special expertise or knowledge or research , no archival footage , no copyright clearance , no actors , no travel beyond the one location , certainly no clinton or woody allen or justice elena kagan or david brooks or Lena Dunham or even Professor New. That said , I think If were hiring the crew id do it for less -- probably 1, 250,000 all in . But I haven't won 10 Emmys and David has . That has value too. As does Wgbh . But I'll be more prepared for the next conversation and want to be much more prepared for templeton, so thank you .

I really liked Michael. I would like to send him some stuff , but in googling him I noticed that we have the same birthday! May I have his email?

You are in! Yeay! Lets see what this may mean? I'll improve my numbers and you'll improve your deep reading ?

Sent from my iPhone

From: Michael Wolff [redacted]]
Sent: 9/24/2014 12:06:54 AM
To: jeffrey E. [jeevacation@gmail.com]
Subject: Re: Highlight

Importance: High

Fab! And tomorrow?

On Tuesday, September 23, 2014, jeffrey E. <jeevacation@gmail.com> wrote:

> clinton woody kagan , do not add one penny to budget
>
> On Tue, Sep 23, 2014 at 6:17 PM, Lisa New <[redacted]> wrote:
>
>> That was fun- definitely the highlight of a day that was not without other interesting moments
>>
>> Don't know which was better-- the wholly unexpected surprise reminder (by a prime minister) of my boyfriend from 1976(who was in high school, who lived with his doting parents), or , getting creamed on my producer's budget but then offered the opportunity to profess poetry for production funds . There may be someone as good in New York, but i'll never tell you and you really have a heck of a seminar table there . When do we do Whitman's "Song of Myself" 1-15 Who else is reading with us? I'm ready .
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>> Sent from my iPhone
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From: Lisa New [[redacted]
Sent: 9/24/2014 12:25:39 AM
To: jeffrey E. [jeevacation@gmail.com]
Subject: Re: Highlight

Importance: High

Jeffrey , if you are conceding any bit of the other things , with all due respect, that's exciting, as its new for me to be right about anything in the area of budgets .

As it happens,and as of today , there is huge dissatisfaction in public television world with the lower budget Clinton footage versus the Herbie Hancock footage. David g was there for Herbie and not for Clinton. I can see the difference .the pilot was made for 100, 000 , with savings on the Clinton but it does show

Sent from my iPhone

On Sep 23, 2014, at 7:57 PM, "jeffrey E." <jeevacation@gmail.com> wrote:

clinton woody kagan , do not add one penny to budget

On Tue, Sep 23, 2014 at 6:17 PM, Lisa New <[redacted]> wrote:

> That was fun- definitely the highlight of a day that was not without other interesting moments
>
> Don't know which was better-- the wholly unexpected surprise reminder (by a prime minister) of my boyfriend from 1976(who was in high school, who lived with his doting parents), or , getting creamed on my producer's budget but then offered the opportunity to profess poetry for production funds . There may be someone as good in New York, but i'll never tell you and you really have a heck of a seminar table there . When do we do Whitman's "Song of Myself" 1-15 Who else is reading with us? I'm ready .
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>
> David and Brigid point out that reality tv doesn't cost anything because it is, as it sounds, very low budget . No writing , no special expertise or knowledge or research , no archival footage , no copyright clearance , no actors , no travel beyond the one location , certainly no clinton or woody allen or justice elena kagan or david brooks or Lena Dunham or even Professor New. That said , I think If were hiring the crew id do it for less -- probably 1, 250,000 all in . But I haven't won 10 Emmys and David has . That has value too. As does Wgbh . But I'll be more prepared for the next conversation and want to be much more prepared for templeton, so thank you .
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>
> You are in! Yeay! Lets see what this may mean? I'll improve my numbers and you'll improve your deep reading ?
>
> Sent from my iPhone

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please note

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From: Lisa New [[redacted]]
Sent: 9/24/2014 12:48:31 AM
To: jeffrey E. [jeevacation@gmail.com]
Subject: Re: Highlight

Importance: High

I know, and I'm immensely grateful

. I would like to send you not only the NEH , but a harvard budget for the Ed school initiative with EdLabs. This may take a few days. But I'm on it

Thank you Jeffrey
Lisa

Sent from my iPhone

On Sep 23, 2014, at 8:37 PM, "jeffrey E." <jeevacation@gmail.com> wrote:

I only want you to succeed.. I suggest that as this is charity , the numbers will be scrutinized more heavily. (could have gone for food for homeless etc) please send me the neh proposal that you mentioned. I assume there is a full budget.

On Tue, Sep 23, 2014 at 8:25 PM, Lisa New <[redacted]> wrote:

> Jeffrey , if you are conceding any bit of the other things , with all due respect, that's exciting, as its new for me to be right about anything in the area of budgets .
>
> As it happens,and as of today , there is huge dissatisfaction in public television world with the lower budget Clinton footage versus the Herbie Hancock footage. David g was there for Herbie and not for Clinton. I can see the difference .the pilot was made for 100, 000 , with savings on the Clinton but it does show
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> Sent from my iPhone
>
> On Sep 23, 2014, at 7:57 PM, "jeffrey E." <jeevacation@gmail.com> wrote:
>
> clinton woody kagan , do not add one penny to budget
>
> On Tue, Sep 23, 2014 at 6:17 PM, Lisa New <[redacted]> wrote:
>
>> That was fun- definitely the highlight of a day that was not without other interesting moments
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>> Don't know which was better-- the wholly unexpected surprise reminder (by a prime minister) of my boyfriend from 1976(who was in high school, who lived with his doting parents), or , getting creamed on my producer's budget but then offered the opportunity to profess poetry for production funds . There may be someone as good in New York, but i'll never tell you and you really have a heck of a seminar table there . When do we do Whitman's "Song of Myself" 1-15 Who else is reading with us? I'm ready .
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>> David and Brigid point out that reality tv doesn't cost anything because it is, as it sounds, very low budget . No writing , no special expertise or knowledge or research , no archival footage , no copyright clearance , no actors , no travel beyond the one location , certainly no clinton or woody allen or justice elena kagan or david brooks or Lena Dunham or even Professor New. That said , I think If were hiring the crew id do it for less --

> > probably 1, 250,000 all in . But I haven't won 10 Emmys and David has . That has value too. As does Wgbh . But I'll be more prepared for the next conversation and want to be much more prepared for templeton, so thank you .
> >
> > I really liked Michael. I would like to send him some stuff , but in googling him I noticed that we have the same birthday! May I have his email?
> >
> > You are in! Yeay! Lets see what this may mean? I'll improve my numbers and you'll improve your deep reading ?
> >
> > Sent from my iPhone
>
> --

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From: Michael Wolff [redacted]]
Sent: 9/25/2014 1:47:51 PM
To: jeffrey E. [jeevacation@gmail.com]
Subject: Re: Highlight

Importance: High

See you at 1:00....

On Tue, Sep 23, 2014 at 8:06 PM, jeffrey E. <jeevacation@gmail.com> wrote:

> thurs 1
>
> On Tue, Sep 23, 2014 at 8:04 PM, Michael Wolff <[redacted]> wrote:
>
> > What time???
> >
> > On Tuesday, September 23, 2014, jeffrey E. <jeevacation@gmail.com> wrote:
> >
> > > clinton woody kagan , do not add one penny to budget
> > >
> > > On Tue, Sep 23, 2014 at 6:17 PM, Lisa New <[redacted]> wrote:
> > >
> > > > That was fun- definitely the highlight of a day that was not without other interesting moments
> > > >
> > > > Don't know which was better-- the wholly unexpected surprise reminder (by a prime minister) of my boyfriend from 1976(who was in high school, who lived with his doting parents), or , getting creamed on my producer's budget but then offered the opportunity to profess poetry for production funds . There may be someone as good in New York, but i'll never tell you and you really have a heck of a seminar table there . When do we do Whitman's "Song of Myself" 1-15 Who else is reading with us? I'm ready .
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> > > >
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> > > >
> > > > I really liked Michael. I would like to send him some stuff , but in googling him I noticed that we have the same birthday! May I have his email?
> > > >
> > > > You are in! Yeay! Lets see what this may mean? I'll improve my numbers and you'll improve your deep reading ?
> > > >
> > > > Sent from my iPhone
> > >
> > > --
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PROPOSAL: ***Poetry in America for Middle and High School Teachers***

A. NATURE OF THE REQUEST

Poetry in America, a collaboration between Elisa New and Programs in Professional Education (PPE) at the Harvard Graduate School of Education (HGSE), will produce courses for national and international distribution to K-12 teachers. Drawing on Elisa New's extensive archive of raw instructional video, HGSE has the goal of providing online graduate-level professional development courses for teachers who have never before had the opportunity to advance their careers online. Teachers will be able to use to this course to strengthen their classroom practice while accumulating credits toward advanced degrees in education. Though American teachers are *required* to take professional development courses, very few of these courses offer teachers *content* support. This initiative will provide such support at a high level, offering Harvard credits and career advancement to participating teachers.

Additionally, this initiative will produce classroom-ready video content designed to engage and educate middle and high school students, thus enabling teachers to bring the content of their professional development directly into the classroom. It will give teachers the confidence and tools to discuss poetry while also meeting English Language Arts standards and providing teachers with professional development opportunities. The first such course, *Poetry of the City*, is already in active development, with its first one-credit module, on the poetry of Walt Whitman, currently entering the post-production stage. The second proposed course (either "The Poetry of Character Development and the Feelings" --concerned with building literacy skills and character awareness-- or "The Poetry of Earth, Sea, and Sky" --concerned with making connections between science and poetry) will enter post-production as soon as funds become available.

In addition to the production team (including an executive director, video editor, media manager, and instructional designer), we are joined by a diverse set of senior partners including:

- **James Ryan**, Dean of the Harvard Graduate School of Education
- **Mary Grassa O'Neill**, Managing Director of HGSE Professional Education and former superintendent of the Archdiocese of Boston and Milton Public Schools
- **Roland Fryer**, Henry Lee Professor of Economics at Harvard, Macarthur "Genius," and founder of the Education Innovation Laboratory
- **Robert Polito**, American academic, critic, poet, and President of The Poetry Foundation.

Our advisory board includes:

- US Poet Laureate **Robert Pinsky**
- Actor **John Lithgow**

- Hip-Hop Artist **Nas**
- distinguished academics and poets from Harvard and elsewhere

Participants and Filmed Conversations include:

- **President Bill Clinton, Herbie Hancock**, poet **Sonia Sanchez**, and children from the **Harlem Children's Zone** on disappointment and discrimination (filmed in Harlem and LA)
- **Nas** on traditions of American urban long-form poetry
- **Lena Dunham** on truth-telling and romantic love (filmed in Brooklyn)
- **Woody Allen** on poetry, sincerity, and morality
- Supreme Court Justice **Elena Kagan** on poetry and the law
- **Vice President Al Gore** on poetry and the environment
- Robert Frost biographer **Jay Parini** with Harvard students on trauma (filmed in Vermont)
- **Alfre Woodard** on Gwendolyn Brooks and rebellion
- **Senator John McCain** on love and loyalty to comrades (filmed in Washington DC)
- **Katie Couric** on grief and self-control
- NBA athletes **Shane Battier** and **Jason Collins** on form and basketball

B. PROJECT ACTIVITIES

The activities of this proposal fall into three major categories: production, post-production, and distribution. The activities involve collaboration between academics, professional course developers, curricular designers and video producers.

Poetry in America has amassed well over one hundred hours of high quality instructional video, including dozens of interpretive conversations with well-known personalities across the professions. Some additional production is expected, and a crew is now assembled to accomplish additional production in a cost effective manner. The post-production stage will involve discussion and planning with the Harvard Graduate School of Education and other educational and media partners based on this current sizeable archive of raw video footage.

At the post-production stage, we will shape and edit the raw footage into curricular content for teachers, and produce classroom-ready video. The post-production team, led by an experienced course developer and producer, will also include a professional videographer/editor with experience in creating high-quality pedagogy, a media manager, and a curriculum design team comprised of an instructional designer and IT specialist. HGSE will develop graduate course materials, including classroom-usable lesson plans, based on video content. Courses offered will include uncoached, lightly coached and fully coached versions of teaching poetry in the classroom. Teachers enrolled in coached versions of the course will receive real-time classroom support by HGSE instructional staff.

The distribution phase will rely heavily on our media and educational partners. Distribution emanates from PPE, which attracts thousands of educators every year to its programs on Harvard's campus, and enrolls thousands of others in its highly successful *WIDE World* courses. Previous offerings of *Poetry in America* courses on edX have attracted over 25,000 learners worldwide.

Other partners include:

- The Poetry Foundation
- WGBH
- The Atlantic
- The Aspen Institute
- The Nantucket Project
- Genius
- Nautilus
- The Big Think
- The Emily Dickinson Museum

New corporate partners include:

- Digital Partners Incorporated
- Adobe
- Netsuite

C: OUTPUTS AND OUTCOMES

This project will eventuate in for-credit professional development materials, developed by the Harvard Graduate School of Education to support relevant educational standards, including but not limited to the Common Core. With funds sufficient to the task, we expect to release two full-credit courses for teachers by Spring 2016. HGSE has a business plan to produce these courses, which they expect will fill a market niche.

D: FUNDING OPTIONS

Funds to support *Poetry in America for Middle and High School Teachers* may be directed to the Harvard Graduate School of Education. There is an HGSE account dedicated to *Poetry in America* that is ready to receive donations.

Alternatively, funds can be donated to Filmmaker's Collaborative, a 501c3 dedicated to supporting independent film and media initiatives such as the *Poetry in America* project. Filmmaker's Collaborative provides low-cost fiscal sponsorship for over 200 media projects across the country, and also offers professional support and public programming. Filmmakers Collaborative allows maximum autonomy and flexibility in the use of resources to support the objectives of the *Poetry in America* project.

Brockman, Inc. 260 Fifth Avenue New York, New York 10001 Tel (212) 935-8900 Fax (212) 935-5535

BROCKMAN, INC. AUCTIONS *NOISE* BY DANIEL KAHNEMAN, OLIVIER SIBONY, AND CASS R. SUNSTEIN 30 MARKETS

New York, NY, Tuesday, March 20, 2018– Max Brockman, CEO of Brockman, Inc. announced today the sale of ***NOISE* by Daniel Kahneman, Olivier Sibony, and Cass R. Sunstein.**

Kahneman, Sibony, and Sunstein were represented in the negotiations by **John Brockman** for US/Canadian rights, and **Max Brockman**, who supervised auctions in the UK and foreign language markets.

According to **Max Brockman**, "We've never seen a week like this in the 45-year history of Brockman, Inc. Thirty auctions were conducted within a week, all setting new agency records for publishing advances in each market and, in many markets, at levels never seen before for a serious nonfiction book."

"This speaks to the remarkable track record of Kahneman's THINKING FAST AND SLOW***,*** which has been on *The New York Times* Bestseller List since publication in 2011, with global sales approaching 6 million copies, 2 million of which are in the UK, making it the biggest nonfiction book in the 100-year history of Allen Lane/Penguin."

"Another factor in the extraordinary reaction by publishers worldwide are the expertise and skill sets that Olivier Sibony and Cass Sunstein bring to the project.

According to **Tracy Behar**, VP, Publisher, and Editor-in-Chief of Little, Brown Spark, who acquired US/Canadian rights to the book, "Daniel Kahneman, Olivier Sibony, and Cass Sunstein are three of the greatest thinkers of our time, and I believe ***NOISE*** will be one of our most influential books, with far-reaching applications. It's an honor to be able to publish it."

About the authors:

Daniel Kahneman, author of the bestseller THINKING FAST AND SLOW, is Emeritus Professor of Psychology and Public Affairs at Princeton. He is the winner of the 2002

Nobel Prize in Economic Sciences for his pioneering work integrating insights from psychological research into economic science, especially concerning human judgment and decision making under uncertainty.

Olivier Sibony is a professor, writer, and advisor specializing in the quality of strategic thinking and the design of decision processes. Sibony teaches Strategy, Decision Making, and Problem Solving at HEC Paris. He is also an Associate Fellow of Saïd Business School in Oxford University. Previously, he was a Senior Partner with McKinsey & Company, where he spent 25 years.

Cass R. Sunstein is currently the Robert Walmsley University Professor at Harvard. From 2009 to 2012 he was Administrator of the White House Office of Information and Regulatory Affairs. From 2013 to 2014, he served on President Obama's Review Group on Intelligence and Communication Technologies. From 2016 to 2017, he served on the Defense Innovation Board of the US Department of Defense. He is the author of the bestsellers NUDGE (with Richard H. Thaler) and THE WORLD ACCORDING TO STAR WARS. His two most recent books, IMPEACHMENT: A CITIZEN'S GUIDE and CAN IT HAPPEN HERE? Are reviewed together on the front page of THE NEW YORK TIMES BOOK REVIEW (March 18, 2018). Sunstein is the recipient of the 2018 Holberg prize, awarded annually to a scholar who has made outstanding contributions to research in the arts, humanities, the social sciences, law or theology.

About Brockman, Inc.

Brockman, Inc., established in 1973 by founder **John Brockman**, is the preeminent international literary agency in the representation of serious non-fiction authors who are the leaders of "the third culture", i.e., those scientists and other thinkers in the empirical world who, through their work and expository writing, are taking the place of the traditional intellectual in rendering visible the deeper meanings of our lives, redefining who and what we are."

From: jeffrey E. [jeevacation@gmail.com]
Sent: 9/20/2014 5:29:55 AM
To: Kathy Ruemmler [[redacted]]
Subject: Re:

He is a pseudo intellectual . Friendship is a complex biological process . Part altruism part cooperation , it does not lead to genetic fitness , friends are not inherited with genes . Nick christophalos at kit has done much work . That being said , I get your point

On Friday, September 19, 2014, Kathy Ruemmler <[redacted]> wrote:

> Did you read David Brooks today?
>
> On Sep 19, 2014 9:58 PM, "Kathy Ruemmler" <[redacted]> wrote:
>
> > I will try.
> >
> > On Sep 19, 2014 8:52 PM, "jeffrey E." <jeevacation@gmail.com> wrote:
> > try to get a good night sleep. see you sunday
> >
> > On Fri, Sep 19, 2014 at 8:48 PM, Kathy Ruemmler <[redacted]> wrote:
> >
> > > Harder to say no for sure.
> > >
> > > On Sep 19, 2014 8:46 PM, "jeffrey E." <jeevacation@gmail.com> wrote:
> > > I assume that means harder to say no, ? easier to say yes. .
> > >
> > > On Fri, Sep 19, 2014 at 8:38 PM, Kathy Ruemmler <[redacted]> wrote:
> > >
> > > > Both harder and easier. He was there.
> > > >
> > > > On Sep 19, 2014 8:32 PM, "jeffrey E." <jeevacation@gmail.com> wrote:
> > > > decision :easier, harder, more complex?
> > > >
> > > > On Fri, Sep 19, 2014 at 8:17 PM, Kathy Ruemmler <[redacted]> wrote:
> > > >
> > > > > I have so much more info to tell you on Sunday.
> > > > >
> > > > > On Sep 19, 2014 8:16 PM, "jeffrey E." <jeevacation@gmail.com> wrote:
> > > > > how much and who pays now?
> > > > >
> > > > > On Fri, Sep 19, 2014 at 5:35 PM, Kathy Ruemmler <[redacted]> wrote:
> > > > >
> > > > > > I will. The rent on the apartment is significantly more than the monthly salary.
> > > > > >
> > > > > > On Sep 19, 2014 5:34 PM, "jeffrey E." <jeevacation@gmail.com> wrote:
> > > > > > no need to. call eric and get a data point
> > > > > >
> > > > > > On Fri, Sep 19, 2014 at 5:23 PM, Kathy Ruemmler <[redacted]> wrote:
> > > > > >
> > > > > > > I don't want to give up my apartment in NY.
> > > > > > >
> > > > > > > On Sep 19, 2014 5:18 PM, "Kathy Ruemmler" <[redacted]> wrote:
> > > > > > >
> > > > > > > > Good advice.
> > > > > > > >
> > > > > > > > On Sep 19, 2014 5:15 PM, "jeffrey E." <jeevacation@gmail.com> wrote:
> > > > > > > > lets see how you feel sunday
> > > > > > > >
> > > > > > > > On Fri, Sep 19, 2014 at 5:12 PM, Kathy Ruemmler <[redacted]> wrote:

I think I should do it.

On Sep 19, 2014 4:12 PM, "jeffrey E." <jeevacation@gmail.com> wrote:
free now

On Fri, Sep 19, 2014 at 3:46 PM, Kathy Ruemmler <[redacted]m> wrote:

Correct. One time, maybe. Twice, no way.

On Sep 19, 2014 3:45 PM, "jeffrey E." <jeevacation@gmail.com> wrote:
of course not , he wouldnt have been so stupid.
---------- Forwarded message ----------
From: **Kathy Ruemmler** <[redacted]>
Date: Fri, Sep 19, 2014 at 3:44 PM
Subject: Re:
To: "jeffrey E." <jeevacation@gmail.com>

Gov is not jewish

On Sep 19, 2014 3:42 PM, "jeffrey E." <jeevacation@gmail.com> wrote:
reid or governor

On Fri, Sep 19, 2014 at 3:02 PM, Kathy Ruemmler <[redacted]> wrote:

Uh, yeah. We will now go through a period of self-reflection and despair.

On Sep 19, 2014 3:00 PM, "jeffrey E." <jeevacation@gmail.com> wrote:
double whoops

On Fri, Sep 19, 2014 at 2:59 PM, Kathy Ruemmler <[redacted]> wrote:

Yep. And now he is a repeat offender.

On Sep 19, 2014 2:58 PM, "jeffrey E." <jeevacation@gmail.com> wrote:
and thats after turning down misdeameors? whoops

On Fri, Sep 19, 2014 at 2:57 PM, Kathy Ruemmler <[redacted]> wrote:

Reid's guy went down on all 7 counts.

On Sep 19, 2014 8:01 AM, "Kathy Ruemmler" <[redacted]> wrote:

Yes, trains exist -- people ride them to get from one place to another.....germ factories, however. DC today, back in NY on Sunday morning.

On Sep 19, 2014 7:57 AM, "jeffrey E." <jeevacation@gmail.com> wrote:
train? yes , i will be like the emergency room doctor at lenox hill, put that crazy in room 1, gunshot in surgery, and the
"cook" welll -- he can wait

On Fri, Sep 19, 2014 at 7:54 AM, Kathy Ruemmler <[redacted]> wrote:

Doesn't look like you are prioritizing your schedule very effectively.....how are you going to manage all of that? this is unga week so the boss will be in town too.....I'll be here all week -- you may get sick of me....just sat down on the train so can't talk freely.

On Sep 19, 2014 7:48 AM, "jeffrey E." <jeevacation@gmail.com> wrote:

"girls?",, careful i will renew an old habit, . this week, thiel, summers,bill burns, gordon brown, jagland, (council of europe and nobel chairman). mongolia pres , hardeep puree (india), boris (gates). jabor (qatar). sultan (dubai,), kosslyn (harvard), leon black, woody. you are a welcome guest at any..... also if you think there are interesting people in town, everyone here for climate summit , clinton ,security council, holy shit im on [redacted] for next 30 minutes

On Fri, Sep 19, 2014 at 7:15 AM, Kathy Ruemmler <[redacted]> wrote:

> Most girls do not have to worry about this crap.
>
> On Sep 19, 2014 7:09 AM, "jeffrey E." <jeevacation@gmail.com> wrote:
>
>> understood. it comes down to high risk / reward / low risk / reward. professional , emotional. and fiinancial
>>
>> On Fri, Sep 19, 2014 at 6:15 AM, Kathy Ruemmler <[redacted]> wrote:
>>
>>> Agreed, but I need to be prepared to say yes before I talk to him.
>>>
>>> Sent from my iPad
>>>
>>> On Sep 19, 2014, at 1:21 AM, "jeffrey E." <jeevacation@gmail.com> wrote:
>>>
>>> You need to talk to boss
>>>
>>> --
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From: jeffrey E. [jeevacation@gmail.com]
Sent: 9/24/2014 12:07:26 AM
To: Michael Wolff [[redacted]]
Subject: Re: Highlight

Importance: High

not sure yet talk in mornig

On Tue, Sep 23, 2014 at 8:06 PM, Michael Wolff <[redacted]> wrote:

> Fab! And tomorrow?
>
> [redacted]
>
> On Tuesday, September 23, 2014, jeffrey E. <jeevacation@gmail.com> wrote:
>
>> clinton woody kagan , do not add one penny to budget
>>
>> On Tue, Sep 23, 2014 at 6:17 PM, Lisa New <[redacted]> wrote:
>>
>>> That was fun- definitely the highlight of a day that was not without other interesting moments
>>>
>>> Don't know which was better-- the wholly unexpected surprise reminder (by a prime minister) of my boyfriend from 1976(who was in high school, who lived with his doting parents), or , getting creamed on my producer's budget but then offered the opportunity to profess poetry for production funds . There may be someone as good in New York, but i'll never tell you and you really have a heck of a seminar table there . When do we do Whitman's "Song of Myself" 1-15 Who else is reading with us? I'm ready .
>>>
>>> A few other follow ups :
>>>
>>> David and Brigid point out that reality tv doesn't cost anything because it is, as it sounds, very low budget . No writing , no special expertise or knowledge or research , no archival footage , no copyright clearance , no actors , no travel beyond the one location , certainly no clinton or woody allen or justice elena kagan or david brooks or Lena Dunham or even Professor New. That said , I think If were hiring the crew id do it for less -- probably 1, 250,000 all in . But I haven't won 10 Emmys and David has . That has value too. As does Wgbh . But I'll be more prepared for the next conversation and want to be much more prepared for templeton, so thank you .
>>>
>>> I really liked Michael. I would like to send him some stuff , but in googling him I noticed that we have the same birthday! May I have his email?
>>>
>>> You are in! Yeay! Lets see what this may mean? I'll improve my numbers and you'll improve your deep reading ?
>>>
>>> Sent from my iPhone
>>
>> --
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